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TODAY: MONEY Volume Investing Page 15

Developing a Taste For 'Gringo Food'

Big U.S. Brands Scent Profits

By Glenn Collins
New York Times Service

MINNEAPOLIS — A thousand miles north of the U.S.-Mexico border, the full force of American science is being brought to bear on the humble tortilla, taco and refried bean.

It was here in the spring, on the fifth floor of the Pillsbury Technology Center, that engineers found the answer to the taco-shell breakage problem. (Use light-bulb corrugation to protect the brittle corn tacos.)

It was here that an electron microscope was deployed to study the porosity of tortilla shells and "the optimal bean and how to get it," said Paul Thompson, the laboratory director.

With such high-tech tools, some key acquisitions of traditional Mexican food companies and a lot of marketing talent, Pillsbury Inc. has taken just a few years to become the world's biggest maker of Mexican fare, at least the reconstituted kind that is aimed at the mainstream American palate. Other names — Campbell Soup Co., Nestle SA, PepsiCo Inc. and Kraft Foods Inc. — have also recently become strong players in Mexican-style food, buying up some of the small, entrepreneurial companies that were pioneers in the field and shouldering past the rest.

Now, encouraged by the high profit in the $1.6 billion market and by intense competition, Pillsbury and the other behemoths are setting the table for still more patrons of what one industry trend spotter has dubbed "Gringo food."

In the United States, they are reaching out with new sauces and other products and expensive advertising campaigns. In their boldest move yet, the food giants, armed with their homogenized recipes, have begun to popularize "Mexican" cuisine around the globe.

"There is a large worldwide opportunity now for Gringo food," said Bob Messenger, editor of Food Processing, an industry publication based in Chicago, who has championed the sobriquet. "Whatever becomes popular in the American culture forces itself on the rest of the world."

Campbell has already had success selling the salsas of its Pace brand in Canada and has enjoyed strong double-digit growth in Germany.

Pillsbury's Old El Paso, the biggest label with sales last year of $353 million, is doing well in Germany and in Britain, too. The brand is even finding customers in Latin America, where it is perceived as "Mexican-American food," said Paul Walsh, chief executive of Pillsbury, a subsidiary of London-based Grand Metropolitan PLC.

In short, though the first big burst of the Mexican market appears to be over, Pillsbury and the others are determined to push Mexican-style food to the next level.

"Muscle is going to move the Mexican category, and for the next 5 to 10 years, it will be like one of those World Wrestling Federation events," Mr. Messenger said.

"The giants have arrived in the valley, and when the big fellows start

See GRINGOS, Page 4

An injured supporter of the Bulgarian opposition shouting slogans Friday after a brawl with police in Sofia.

Bulgarian Parliament Is Smashed Up

Compiled by Our Staff From Dispatches

SOFIA — Riot engulfed the Bulgarian Parliament on Friday as anti-government protesters stormed the building in a rampage aimed at forcing former Communists from power.

Dozens of demonstrators forced their way into the building. The police fought them back, spraying them with tear gas and water and barricading the corridors with tables and chairs.

About 50,000 people were massed outside, blowing whistles and burning red flags and effigies representing the ruling Socialist Party. Inside the building, legislators put off holding an extraordinary debate on an opposition-sponsored "salvation declaration" that would lead to early parliamentary elections.

Friday's confrontation was the most serious in a series of recent demonstrations that have seen the protesters calling for the Socialists, the former Communists, to step down. Inspired in part by the daily demonstrations against President Slobodan Milosevic in neighboring Serbia, the opposition, which easily won the presidential election two months ago, says the Socialists have lost public confidence.

The protest in Sofia quickly turned violent.

"This is the anger of people who have nothing to lose," said Yordan Sokolov.

See SOFIA, Page 4

Yeltsin Told To Extend His Stay In Hospital

No 'Breakthrough,' Doctor Says of Fight Against Pneumonia

By Lee Hockstader
Washington Post Service

MOSCOW — Adding to speculation that Boris Yeltsin's health is significantly worse that the Kremlin has acknowledged, doctors said Friday that the Russian leader would be out of action recovering from pneumonia at least through the end of January.

Mr. Yeltsin, 65, who has been president in name only since he was re-elected last July, was portrayed by his doctors as a stubborn patient who, fearing the damage to his image, refused to be hospitalized when he was first diagnosed with the ailment Monday. At the time, the Kremlin said that the president was suffering merely from a cold.

Doctors said that Mr. Yeltsin, who finally entered the hospital Wednesday, would stay there at least through the weekend, though he is forbidden from receiving visitors. He is said to be suffering from viral pneumonia, which his doctors insist is unrelated to his previous heart condition and the quintuple bypass operation he underwent in November.

"It is too early now to speak of any certain breakthrough" in his condition, said Dr. Sergei Mironov, Mr. Yeltsin's personal physician. He added that while Mr. Yeltsin was breathing somewhat easier than he had been, there was no fixed date for his discharge from the hospital.

The Russian leader's illness and continuing absence, coupled with the Kremlin's repeated dissembling about his condition, has reinforced the impression of a country lacking leadership and direction. But many Russians have shrugged off Mr. Yeltsin's health problems, deeming them of little consequence to the rather dismal state of the nation. Even Prime Minister Viktor Chernomyrdin, Mr. Yeltsin's No. 2, went on a scheduled vacation, evidently to reinforce the impression of business as usual.

Investors were similarly unworried, bidding stock prices to record levels Thursday and Friday despite the news of the president's health.

"It's very revealing that their presence or absence has no impact on the country's life," said Grigori Yavlinsky, head of a liberal faction in Parliament. "I don't see any difference in Yeltsin staying in the Kremlin or at the Central Clinical Hospital."

After assuring Russians on Thursday that Mr. Yeltsin's condition was stable and that a rapid recovery was expected, Kremlin doctors had a distinctly bleaker prognosis Friday.

See YELTSIN, Page 4

Tokyo Stock Plunge Just Won't Quit

10% Drop Over Week Endangers Banks and Challenges Government

By Sheryl WuDunn
New York Times Service

TOKYO — Seven years ago, when Japan's main stock market index hit its record high of 38,915.87 points, many people expected it would continue to soar.

But Tokyo shares closed Friday at 17,303.65, ending a week in which the index fell more than 10 percent. Many people now fear it will continue to sink.

There is no more reason to think they are right this time, but the revolution in attitudes underscores the profound malaise in which Japan finds itself and the enormous economic challenges it faces.

The abrupt fall in the benchmark Nikkei 225 Stock Average threatens to provoke a banking crisis as well as major political challenge for the administration of Prime Minister Ryutaro Hashimoto. But the plunging market — it fell 4.26 percent Friday — also could give new impetus to the calls for sweeping changes in Japan's economy and government.

"For every politician, the economy is the No. 1 issue," said John Neuffer of Mitsui Marine Research Institute. Referring to Mr. Hashimoto, he added: "He needs to say that we finally have to move aggressively on administrative reform and deregulation; otherwise the economy will end up on the scrap heap."

The prime minister, who is on a state visit to Southeast Asia until next week, has been unusually silent, prompting some to speculate that officials are trying to cobble together a plan to address the plunge in stocks.

"The cabinet will not ignore it, because otherwise another round of political turmoil will develop quickly," said Takashi Kiuchi of LTCB Research Institute. "What is missing is some secret trump card."

But other investors are concerned that policymakers actually have few tools available to retune the economy. A tight budget has ruled out fiscal spending, and with the official discount rate already at 0.5 percent, the Bank of Japan is hard-pressed to drop it any lower to restart the economy.

That may explain the market's reaction Friday, when three top cabinet officials, including Finance Minister Hiroshi Mitsuzuka, one by one sought to calm the selling frenzy. After they spoke, the market plummeted further, spiraling down 5 percent before recovering slightly just before closing.

The Nikkei 225 dropped 770.22 points during a hectic session in which 800 million shares changed hands, nearly double the turnover Thursday. That day 3.3 percent, after losing 5 percent in the previous two days.

Japan's market quagmire may have sobering lessons for America, as it sits perched atop record stock market levels: Tokyo, too, was awash in exuberance when its market peaked on Dec. 29, 1989, and many analysts then argued for a host of reasons that stocks would continue to rise and that special factors explained the historically high levels.

Floor traders on the Tokyo Stock Exchange giving order signals Friday.

Now it is U.S. stocks that are defying gravity. While some analysts note that there are many differences, the chairman of the Federal Reserve Board, Alan Greenspan, drew the comparison last month, to remind Americans of the evidence from Japan that stocks also can fall.

"There are lessons to be learned," said Ronald Bevacqua of Merrill Lynch Japan Inc. "People are justifying the level of the Dow to themselves. I don't hear enough people saying that the Dow is too high."

One of the puzzling aspects of this

See JAPAN, Page 10

The Ghost of Nazi Gold Returns to Haunt Lisbon

By Marlise Simons
New York Times Service

LISBON — As World War II raged across Europe, Portugal sold tungsten and other goods to Nazi Germany, profiting handsomely from its neutral status in the conflict. The Nazis paid with gold bullion looted from countries they conquered and, it is suspected, from victims of the Holocaust.

After the Nazis lost the war, Portugal secretly sold off some of this gold to Indonesia, the Philippines and China.

Those sales, disclosed for the first time by a former senior minister who insisted on anonymity, were the final chapter in a story that has now come back to haunt Portugal's central bank and some of the country's more prominent business families.

Fifty years after the defeat of Nazi Germany, Europe has been stunned by a stream of revelations about Nazi gold: who handled it, where it came from and who reaped financial rewards from genocide.

The issue initially arose in Switzerland, where investigators are now examining Swiss banks' financial transactions with the Nazis and the fate of Jewish wealth stolen in World War II.

In recent months, the focus has broadened to include Sweden, Spain and Portugal, where newspapers and historians are raising a separate set of questions about the role of local banks in financing trade and collaborating with the Nazi regime.

At the same time, the Poles have ordered an investigation into the missing wealth of Poland's victims. The Netherlands, too, plans an inquiry to find out what happened to 75 tons of public and private gold, half of the total plundered, which is still missing.

The story of the Nazis' gold has struck a particular nerve in Lisbon because, after Switzerland, Portugal was the largest importer of the gold. The country was officially neutral during the war but its regime had strong Nazi sympathies.

Like a dark, forgotten ghost, Lisbon's

See GOLD, Page 4

AGENDA

Fake IRA Alarms Disrupt Belfast

BELFAST (NYT) — The overwhelmingly Roman Catholic Irish Republican Army's efforts to disrupt normal life and terrorize civilians continued in Belfast on Friday, the day after the outlawed guerrilla organization declared formally that it would continue its campaign of violence to end British sovereignty in the predominantly Protestant Ulster.

Traffic was snarled for hours in the afternoon as the police responded to a dozen apparently false bomb alerts issued by the IRA, which used recognized code words in telephone calls, identifying the callers as IRA operatives, stating that blasts were about to take place. Protectively, the Royal Ulster Constabulary police taped off areas around the indicated cars and vans and destroyed them with controlled explosions that boomed across the city.

One of the suspect cars was near the Europa Hotel, which claims to be the most often bombed hotel in the world, a favorite IRA target. It is in the heart of the city, a highly visible symbol of the IRA's ability to set off bombs when and where it chooses. The police also closed off a street connecting Catholic and Protestant areas of West Belfast, fearing that it would be used by terrorists for sectarian attacks.

Dow Jones	Trib Index
Up	Down
78.12	0.68%
6703.79	148.36

The Dollar

New York	Fri. close	previous close
DM	1.5859	1.575
Pound	1.68	1.688
Yen	116.125	115.82
FF	5.3508	5.3205

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ASIA/PACIFIC Page 5.
Seoul Moves to Arrest Strike Leaders

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Intolerance in Indonesia

In Mainly Muslim Country, Mob Outbreaks Are Taking On an Ethnic or Religious Edge

By Michael Richardson
International Herald Tribune

MANADO, Indonesia — In a country where official statistics show Muslims forming 85 percent of the 200 million population, a striking feature of the buildings lining both sides of the road on the one-hour drive between Manado and Bitung, the two main towns of North Sulawesi Province, is the prevalence of churches and chapels.

On many stretches of the road, travelers can see a Christian place of worship every few hundred meters. By contrast, mosques are few and far between.

For Harry Tilanga, a Protestant who works as an accountant but drives visitors around the province on weekends to earn extra money, the fact that Christians account for an overwhelming majority of the 2.5 million inhabitants of North Sulawesi is a source of comfort.

"We get along all right with Muslims," he said. "But given what has been happening elsewhere in Indonesia, we don't want Islam to get any stronger here." Several outbreaks of mob violence in recent months in various parts of Indonesia quickly assumed an interreligious or interethnic edge.

In such incidents, Muslims have often been pitted against minority Christians, ethnic Chinese or the police.

The incidents have raised concerns that the delicate fabric of tolerance and unity in the world's fourth most populous country, where hundreds of different ethnic and tribal groups are spread over 13,000 islands, may be tearing apart.

"What is happening to our nation, which has always taken pride in its pluralistic society," The Jakarta Post asked in an editorial Saturday. "Compared with other religiously and ethnically diverse countries, Indonesia can still be proud of its ability to foster harmony among its many diverse groups. But it would be wrong to dismiss these riots as simply local incidents." Some Indonesian social scient-

See INDONESIA, Page 4

Newsstand Prices			
Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 Rials
Egypt	E£ 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20

Germans Join British in Wanting a Chance to Say 'No' to Euro

The Associated Press

PARIS — Britons and a slim majority of Germans would vote against joining a common European currency if a referendum on the issue were held now, a Europewide poll found Friday.

The Gallup Poll found that French and Italian voters greatly favored the single currency, the euro, set to debut Jan. 1, 1999.

Support for the European Union as a whole was very strong in Germany, France and Italy, while a slim majority in Britain supported membership.

The poll showed that 44 percent of Germans would vote against the euro should a referendum be held, while 43 percent would support it and 11 percent were undecided.

In Britain, 56 percent of voters would oppose the single currency, with only 26 percent supporting it and the rest undecided or abstaining, the poll found.

But 61 percent of the French said they would support the euro while 33 percent would vote against it. Seventy-one percent of Italians backed the single currency, the poll found, while 12 percent did not.

The poll, published Friday in French, German, British and Italian newspapers and magazines, also showed that a large majority of voters in each country sought a referendum on the single currency.

But no referendum is planned in France or Italy, and Chancellor Helmut Kohl said Thursday that he opposed a vote in Germany. In Britain, both the ruling Conservative Party and the opposition Labour Party have pledged to hold a referendum.

Referendums on the Maastricht treaty on economic and monetary union held four and five years ago in several EU countries were close, sending shudders through financial markets. In the French referendum held in September 1992, only 51 percent of voters backed the treaty.

The poll was based on interviews of between 943 and 1,006 people of voting age in each country during the first two weeks of December. No margin of error was given.

Study Links Leukemia to Normandy Nuclear Waste Plant

The Associated Press

JOBOURG, France — Snow now shrouds the Normandy beach where, in summer, children frolic in the surf as their parents pry open and swallow oysters plucked fresh from the seaweed.

It's an idyllic, but possibly deadly lifestyle, according to a study made public Friday suggesting that a nearby nuclear waste processing plant is to blame for an unusually high incidence of leukemia. The report, in the respected British Medical Journal, raises questions about how closely the French government keeps tabs on the La Hague nuclear waste center and the nation's more than 50 nuclear power plants.

By playing on local beaches and eating local seafood, children living within 20 miles (32 kilometers) of the plant are significantly more likely to develop leukemia, said Dr. Jean-Francois Viel of the University of Besancon.

"The risk is three times higher when you go to the beach" at least once a month, Dr. Viel, author of the study, said in an interview. "Eating fish and shellfish also increases the risk."

Researchers studied 219 children, including 27 with leukemia, in the picturesque seaside hamlets around the sprawling plant, built into a bluff on the westernmost tip of Normandy. The center, one of the world's largest to process spent fuel, releases some discharge into the English Channel below, and smokestacks vent giant incinerators.

Environment Minister Corinne Lepage said Friday that government scientists would check for abnormal levels of radioactivity in shellfish and in sediment near the plant. "We have to be careful and not panic," she said.

In Jobourg — a village of weatherbeaten fieldstone farm houses, 450 people and twice as many sheep — residents seemed incredulous.

"All anyone is afraid of here is an accident, but that's another thing," said Jean-Marc Leliepault, who runs a local restaurant. "I'm not afraid. No one I know has cancer. I eat the seafood all the time, and I'm fine."

Cogema, the state-owned company that operates the facility, denounced the study as "false and alarmist" and said numerous government agencies police the plant.

Each month, scientists measure the amount of radioactivity in water, milk, fish and mollusks at 820 checkpoints in the area. Cogema contends the results, posted and mailed to people's homes, have always shown that the radioactivity emitted by the plant is a fraction of what exists in nature.

"It's scandalous to put state control in question," the La Hague plant director, Patrick Ledermann, said in an interview.

Mr. Ledermann said Dr. Viel's study "found a small increase statistically," but that "hundreds of zones" in France have similar rates.

Dr. Viel said he was neither pro- nor anti-nuclear, just "a scientist trying to do my job."

France's nuclear industry, which provides the country with 80 percent of its power, has been criticized for lacking independent regulators. The Institute for Nuclear Protection and Security, France's nuclear watchdog, is state-run.

The La Hague plant is a cluster of block-shaped buildings painted in soft pastel colors but ringed with high chain-link fences and razor wire. Two other nuclear sites are nearby, including a power station and naval dockyards that stock fuel for submarines. That makes the nuclear industry the region's No. 1 employer.

"People are afraid of losing their jobs. They're afraid of reprisals if they talk publicly," said Didier Anger, a Green Party politician.

France Jails Islam Radicals For Killings In Marrakesh

By Roger Cohen
New York Times Service

PARIS — The first trial involving the growing radical Islamic movements in France ended Friday with sentences of up to eight years for members of a network that attacked a hotel in the Moroccan town of Marrakesh, killing two Spanish tourists.

The killing, on Aug. 24, 1994, was part of a wave of attacks, including the desecration of a Jewish cemetery in Casablanca, that were intended to destabilize the monarchy of King Hassan II and open the way for the establishment of a fundamentalist regime in Morocco.

The trial, which began in December, has been widely watched in France because it has illustrated how young Frenchmen of North African descent living in drug- and crime-infested suburbs have proved susceptible to the appeal of Islam and a "holy war." Other such networks have been involved in a wave of terrorist attacks in France linked to the Algerian civil war.

The stiffest sentence was given Friday to Abdelilah Ziyad, a 38-year-old Moroccan who admitted during the trial that he organized the attack in the lobby of the Atlas-Asni hotel and that he had been active in the recruitment and conversion to radical Islam of young people in the suburbs of Paris and Orleans.

Mr. Ziyad was sentenced to eight years in prison and banned from French territory for 10 years after he is freed. Another Moroccan, Mohammed Zinedine, who has not been captured, received the same sentence.

A 22-year-old Frenchman of Moroccan descent, Tarik Falah, who took part in the attack in Marrakesh, was sentenced to five years' imprisonment. The prosecution had requested 10 years, but the judge appears to have taken the view that the young man was used by his Moroccan masters. Two other young Frenchmen, Stephane Ait-Iddir and Redouane Hammadi, were captured in Morocco after the attack and have been sentenced to death.

Turkey Turns Up the Heat Over Cyprus Missile Plan

Compiled by Our Staff From Dispatches

ANKARA — Turkey on Friday again threatened military action against the Greek-ruled part of Cyprus to stop it from deploying Russian missiles and said it might take over an abandoned tourist resort on the island if the Cypriot government did not back down.

Foreign Minister Tansu Ciller said Turkey might knock out an anti-aircraft missile system that the Greek Cypriot government plans to install under a deal reached with Russia last weekend.

"These offensive missiles will definitely not be deployed," Mrs. Ciller said. "If they are deployed we will do what is needed. If that means they need to be hit, they will be hit."

The Cypriot government, which insists the S-300 missiles are defensive, dismissed the warnings and said it would concentrate on a political solution, adding that the missiles would not be delivered for at least 16 months.

The Turkish Cypriot leader, Rauf Denktash, added to the war of words in Nicosia with a statement warning that he might move to integrate the abandoned resort of Varosha into the Turkish sector of the island if the rocket plan was not scrapped.

Varosha, once the island's top tourist resort and mostly owned by Greek Cypriots, has been under Turkish military control since 1974, when Turkey invaded Cyprus after a coup in Nicosia engineered by the military junta then ruling Greece.

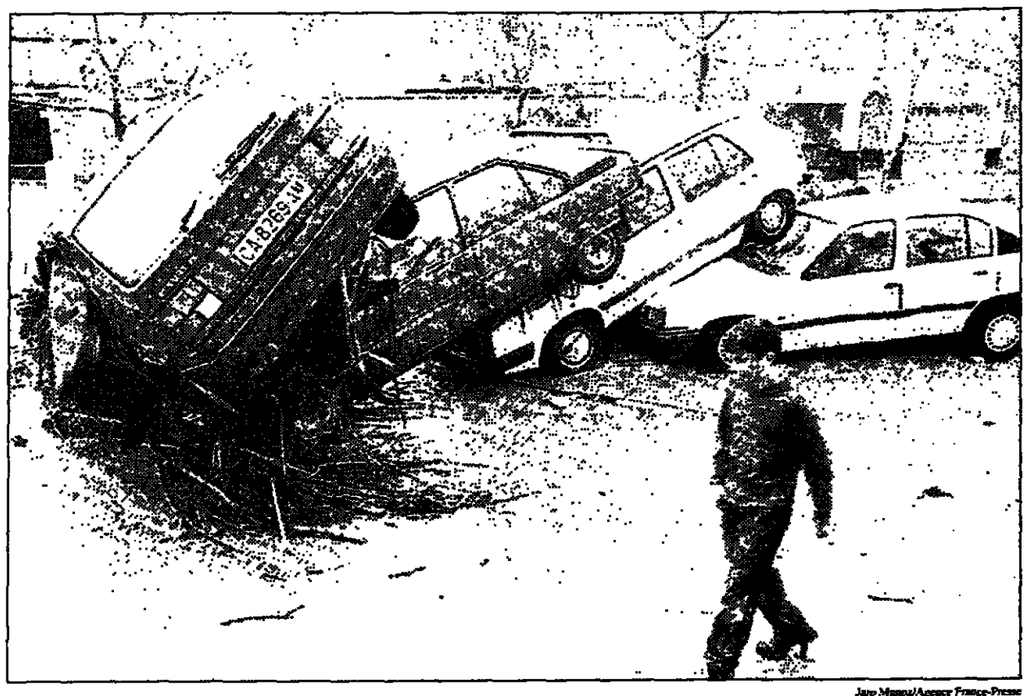
The U.S. State Department warned Turkey on Thursday to stop threatening military action if the Greek Cypriots went ahead with the missile deployment.

"It would be completely out of bounds for Turkey to take this action," said the department's spokesman, Nicholas Burns. "There is no reason for the Turkish government to threaten anybody."

Greece on Friday welcomed the U.S. warning and brushed off Ankara's threat to attack the missile system.

Foreign Ministry officials said that Greece was determined to keep its composure in the face of what they called "a cultivated climate of crisis."

And at the United Nations, Secretary-General Kofi Annan expressed concern Friday over the mounting tension and called for restraint. *(Reuters, AFP)*



Jairo Mumoz/Agence France-Presse

WHO'LL STOP THE RAIN? — A boy in Alcala del Valle passing a pile of cars that were swept away in the Andalusian town when the Guadalporcun River was driven over its banks by heavy rains in southern Spain.

Germans Criticize Ad for Scientology

Compiled by Our Staff From Dispatches

BONN — German political leaders on Friday criticized American celebrities who said in a newspaper advertisement that Germany was oppressing Scientologists in the same way that Hitler persecuted Jews.

Editorial writers and a leading German Jew also denounced the signers of a letter printed as a full-page advertisement in the International Herald Tribune for comparing contemporary Germany to Nazi Germany.

"Scientology is distorting history and harming the feelings of the victims of the Nazis when it equates the Holocaust with its treatment in Germany," Foreign Minister Klaus Kinkel said.

The ad, which appeared in the newspaper Thursday, was paid for by a Los Angeles entertainment lawyer, Bertram Fields, who also was one of the signers. He said he began looking into the issue after hearing about attempts by members of Chancellor Helmut Kohl's party to organize a German boycott of last summer's movie "Mission Impossible" because its star, Tom Cruise, is a Scientologist.

The authorities contend that the group is a threat to German democracy. But the Los Angeles-based church, which claims 30,000 members in Germany, denies it has political aims and has accused Germany of persecution.

On Dec. 18, Mr. Kohl's government announced that it would set up a central office to coordinate a federal and state campaign against the Church of Scientology and keep people linked to the group out of certain public jobs, such as counseling and teaching. Mr. Kohl's party, the Christian Democratic Union, has ousted members because of their connection with Scientology.

The authorities also agreed to consider putting the organization under surveillance by the anti-extremist Office for the Protection of the Constitution.

The ad, which was signed by Dustin Hoffman, Goldie Hawn, Oliver Stone, Mario Puzo, Gore Vidal, Larry King and 20 other entertainment figures, urged Mr. Kohl to put "an end to this shameful pattern of organized persecution."

Michel Friedman, a board member of the Central Council of Jews in Germany, said: "It is disgraceful and irresponsible to draw such historical parallels that are completely out of touch with reality. It's totally off the mark."

Edmund Stoiber, premier in the state of Bavaria, which has clamped down on Scientologists, called the letter an outrage. "We will go after this organization with all our means," he said. "And we will definitely keep dedicated Scientologists out of state jobs."

(Reuters, AP)

3 Greeks Hunted in Drownings

The Associated Press

ATHENS — An international search is under way for three Greek merchant seamen believed to be linked to the alleged drowning of at least 280 Asian immigrants on Christmas Day.

"Greek police and Interpol are trying to trace them," a Public Order Ministry spokesman said Friday.

The pro-government Athens daily Ethnos identified the three men as Michalis Fanourakis, Andonis Sfakianakis and Eftychios Zervoudakis, alleged to be a drug dealer involved in smuggling illegal immigrants in the past.

The search was ordered after Yannis Provataris, a state prosecutor, filed murder charges against "all those responsible" for the alleged drowning of the Sri Lankans, Pakistanis and Indians.

Survivors told Greek authorities that the Asians drowned while transferring in rough seas from the vessel Yioham to the Friendship, a smaller ship, in the Malta-Sicily channel. The Yioham collided with the smaller ship, sinking it.

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TRAVEL UPDATE

Palestinian Airlines Makes First Flights

PORT SAID, Egypt (Reuters) — Palestinians inaugurated their airline Friday, but the flight, to Saudi Arabia, had to take off from Port Said because Israel has blocked flights from Gaza.

The two Palestinian Airlines Fokker-50 planes made the trip on the first day of the Muslim fasting month of Ramadan, the first regular flights by the Palestinian Authority's newly established airline. They carried pilgrims to Mecca.

The airline's chairman, Faiz Zaidan, said there would be five flights a week on the same Egypt-Saudi route, running Saturday, Sunday and Monday.

Paris Raises Security

PARIS (Reuters) — France sharply increased security in the Paris area on Friday, adding 1,000 additional forces to the 2,000 soldiers and riot police patrolling railroad stations, public transportation and airports since a Dec. 3 commuter train blast, Interior Minister Jean-Louis Debre said.

"We are in a difficult period," he said. "The situation abroad is not good." He cited the sentencing in Paris of Muslim radicals held responsible for backing attacks in Morocco.

Saturday is also the fifth anniversary of the military intervention in Algeria that put an end to general elections that Islamic fundamentalists were poised to win.

Arctic cold gripped the midsection of the United States on Friday, creating a deep freeze for states digging out from a day of storms that brought snow and freezing rain. The storms that struck from Georgia to the Dakotas and reached into the Northeast on Thursday were blamed for at least 26 deaths since late Wednesday. *(AP)*

BRIEFLY EUROPE

No Swiss Apology

ZURICH — President Arnold Koller ruled out Friday an apology by the Swiss government for remarks that unleashed an international outcry. But he made it clear that the government was moving toward a rapid solution over the question of a compensation fund for Holocaust victims.

Jewish groups have threatened a boycott of Swiss banks unless the government rejects remarks by the outgoing president, Jean-Pascal Delamuraz — now the economics minister — describing a suggestion for a $250 million compensation fund for elderly Jews as "blackmail." *(AP)*

Fast Justice in Italy

ROME — The government proposed a radical reform of Italy's inefficient justice system Friday that could lift the threat of jail from hundreds of people awaiting trial in the graft scandals sweeping the country.

The bill allows defendants to seek a summary trial for all crimes and a reduced or suspended jail sentence for offenses ranging from bribery to fraud and armed robbery.

Designed to help clear 4 million criminal cases awaiting verdicts, it now goes to Parliament for debate and is expected to take about a year to become law. *(Reuters)*

German Fire Kills 3

BONN — Three young children of an ethnic Albanian family from southern Serbia died Friday in a fire that destroyed an asylum-seekers' hostel in the German town of Monheim.

The police said they had found the children's bodies as they combed through the burned-out shell of the building, in which about 40 people lived, most of them from the former Yugoslavia.

The police said that they had not yet established the fire's cause, but that they had no indication it was arson. Refugee centers in Germany have been firebombed before by far-right extremists. *(Reuters)*

Mrs. Hoxha Is Freed

TIRANA, Albania — Nexhmije Hoxha, widow of the Stalinist leader Enver Hoxha, spent Friday at her son's home on a former chicken farm after serving five years in prison for embezzling state funds to pay for her lavish lifestyle.

Mrs. Hoxha, 76, emerged from Tirana's top-security prison looking dignified and unscathed.

Mr. Hoxha ruled for four decades until his death in April 1985. His widow was arrested in December 1991 and sentenced to nine years in jail in 1993 on charges of misappropriation of state funds and abuse of power. Her term was reduced three times on the orders of President Sali Berisha, and she won a further cut after a new penal code took effect in 1995. *(Reuters)*

Hot Air, New Try

GENEVA — Undeterred by Richard Branson's abrupt landing, a Swiss-sponsored balloon will take off this weekend in an attempt to complete the first around-the-world circuit.

Bertrand Piccard — grandson of the Swiss scientist Auguste Piccard, who made the first stratospheric flight — and a Belgian hot air balloonist, Wim Verstraeten, have spent months preparing for the journey. They hope to depart from an Alpine resort Saturday night. *(AP)*

RELIGIOUS SERVICES

AMSTERDAM

CROSSROADS INTERNATIONAL CHURCH Interdenominational & Evangelical Sunday Service 10:00 a.m. & 11:30 a.m.; Kids Welcome. De Cuserstraat 3, S. Amsterdam Info (020-641 8812 or 020-6451 553.

FRANCE/TOULOUSE

HOPE INTERNATIONAL CHURCH (Evangelical). 4, bd. de Pibrac, Colomer. Sunday service. 6:30 p.m. Tel.: 05 62 74 11 55.

FRENCH RIVIERA/CÔTE D'AZUR

NICE: Holy Trinity (Anglican), 11 rue Buffa. Sun. 11. **VENCE:** St Hugh's, 22, av. Résistance. 9 a.m. Tel: 33 04 93 87 19 83.

MONTE CARLO

MONACO CHRISTIAN FELLOWSHIP Worship Service, Sundays, 11 a.m. 9, rue Louis Notary, Monte Carlo. Tel: 377 92 16 56 47.

MUNICH

INTERNATIONAL COMMUNITY CHURCH. Evangelical Bible Believing services in English 4:30 p.m. Sundays at Enhuberstr. 10 (U2 Theresienstr.) (089) 850-8617.

PARIS and SUBURBS

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HOPE INTERNATIONAL CHURCH Hotel Orion at Pans-la-Défense, 8 bd. de Neuilly. Worship Sundays 9:30 a.m. Rev. Douglas Miller, Pastor. Tel.: 01 43 33 04 06. Métro 1 to la Défense Esplanade

SAINT JOSEPH'S CHURCH (Roman Catholic) MASS IN ENGLISH: Sat. 6:30 p.m.; Sun. 9:45, 11:00 a.m., 12:15, 6:30 p.m. 50, avenue Hoche, Paris 8th. Tel.: 01 42 27 28 55. Metro Charles de Gaulle - Etoile.

ST. MICHAEL'S CHURCH (evangelical Anglican) Sundays 10:30 a.m. (with children's club and crèche) and 6:30 p.m. Midweek study groups Christ-centered fellowship in the heart of Paris. 5 rue d'Agueseau, 75008. Tel.: 01 47.42.70 88. Metro: Concorde

TOKYO

ST. PAUL INTERNATIONAL LUTHERAN CHURCH, near Iidabashi Stn. Tel.: 3261-3740. Worship Service: 9:30 a.m. Sundays.

SWITZERLAND

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PARIS and SUBURBS

THE AMERICAN CATHEDRAL OF THE HOLY TRINITY, Sun. 9 & 11 a.m., 10:45 a.m. Sunday School for children and Nursery care. Third Sunday 5 p.m. Evensong. 23, avenue George V, Paris 75008. Tel: 33-01 53 23 84 00. Metro: George V or Alma Marceau.

FLORENCE

ST. JAMES' CHURCH. Sun. 9 a.m. Rite I & 11 a.m. Rite II. Via Bernardo Rucellai 9, 50123, Florence, Italy. Tel: 39/55 29 44 17.

FRANKFURT

CHURCH OF CHRIST THE KING (Episcopal/Anglican) Sun. Holy Communion 9 & 11 a.m. Sunday School and Nursery 10:45 a.m. Sebastian Rinz St. 22, 60323 Frankfurt, Germany. U1, 2, 3 Miquel-Allee. Tel: 49/69 55 01 84.

GENEVA

EMMANUEL CHURCH, 1st & 3rd Sun. 10 a.m. Eucharist: 2nd & 4th Sun. Morning Prayer. 3 rue de Monthoux, 1201 Geneva, Switzerland. Tel.: 41/22 732 80 78.

MUNICH

THE CHURCH OF THE ASCENSION. Sun. 11:45 a.m. Holy Eucharist and Sunday School, Nursery Care provided. Seybothstrasse 4, 81545 Munich (Harlaching), Germany. Tel.: 49/89 64 81 85.

ROME

ST. PAUL'S WITHIN-THE-WALLS, Sun. 8:30 a.m. Holy Eucharist Rite I; 10:30 a.m. Choral Eucharist Rite II; 10.30 a.m. Church School for children & Nursery care provided: 1 p.m. Spanish Eucharist Via Napoli 58, 00184 Rome. Tel.: 39/6 488 3339 or 39/6 474 3569.

BRUSSELS/WATERLOO

ALL SAINTS' CHURCH, 1st Sun. 9 & 11:15 a.m. Holy Eucharist with Children's Chapel at 11:15. All other Sundays: 11:15 a.m. Holy Eucharist and Sunday School. 563 Chaussée de Louvain, Ohain, Belgium. Tel. 32/2 384-3556.

WIESBADEN

THE CHURCH OF ST. AUGUSTINE OF CANTERBURY, Sun. 10 a.m. Family Eucharist. Frankfurter Strasse 3, Wiesbaden, Germany. Tel.: 49/611.30.66.74.

EUROPEAN BAPTIST CONVENTION

BERLIN

I.B.C., BERLIN. Rothenburg Str. 13, (Steglitz). Sunday, Bible study 10.45, worship Service 12.00 noon. Charles Warlord, pastor. Tel.: 030-774-4670.

BREMEN

I.B.C., Hohenlohestr. Hermann-Bose-Str. Worship Sun. 17:00, Pastor telephone: 04791-12877

BUCHAREST

I.B.C., Strada Popa Rusu 22. 3:00 p.m. Contact Pastor Mike Kemper, Tel. 312 3960.

BUDAPEST

I.B.C., meets at Morics Zsigmond Gimnazium, Torokvesz ut 48-54. Sun. 10:00. Tel. 250-3932.

BULGARIA

I.B.C., World Trade Center, 36, Drahan Tzankov Blvd. Worship 11:00. James Duke, Pastor. Tel.: 669 666.

FRANKFURT

INTERNATIONAL CHRISTIAN FELLOWSHIP, Sodenerstr. 11-18, 63150 Bad Homburg. A friendly, Christ-centered church serving the English-speaking community. Sunday Worship, S.S. & Nursery 09:45. Weekday Groups. Pastor: M.P. Levey. Call 06173-62728.

BETHEL I.B.C. Am Dachsberg 92 (English), Worship Sun. 11:00 a.m. and 6:00 p.m. Tel.: 069-549559.

HOLLAND

TRINITY INTERNATIONAL invites you to a Christ centered fellowship. Services: 9:00 and 10:30 a.m. Bloemcamplaan 54, Wassenaar 070-517-8024 nursery prov.

NICE - FRANCE

I.B.C. 13 rue Verner, English service. Sunday evening 18:30, pastor Roy Miller - Tel.: (04 93) 32 05 96.

PRAGUE

I.B. FELLOWSHIP, Vinohradska # 68, Prague 3. Sun. 11:00. Tel.: (02) 311 7974.

WATERLOO

WATERLOO BAPTIST FELLOWSHIP Sun. 19:00 at Swedish Church, across from MadDonalds. Tel.: (02) 353 1585.

ZURICH - SWITZERLAND

I.B.C of Zürich, Gheistrasse 31, 8803 Rüschlikon. Worship Services Sunday mornings 10:30. Tel.: 1-4810018.

ASSOC. OF INT'L CHURCHES

BERLIN

AMERICAN CHURCH IN BERLIN, cor. of Clay Allee & Potsdamer Str., S.S. 9:30 a.m., Worship 11 a.m. Tel.: 030-8132021.

FRANKFURT

TRINITY LUTHERAN CHURCH, Nibelungenallee 54. Sun. Worship 11 a.m. Tel. 069/95631066 or 512562.

GENEVA

EV. LUTHERAN CHURCH 20 rue Verdaine. Sunday worship 9:30, in German 11:00 in English. Tel. (022) 310.50.89

JERUSALEM

LUTHERAN CHURCH of the Redeemer. Old City, Muristan Rd. English worship Sun. 9 a.m. All are welcome. Tel.: (02) 6281-049.

PARIS

AMERICAN CHURCH IN PARIS. Worship 11:00 a.m. 65, Quai d'Orsay, Paris 7. Bus 63 at door, Metro Alma-Marceau or Invalides.

VIENNA

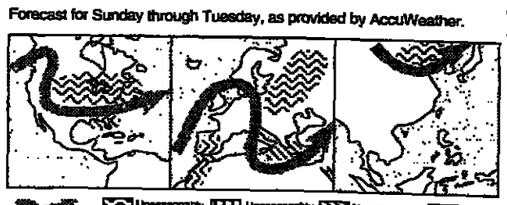
VIENNA COMMUNITY CHURCH, Sunday worship in English 11:30 A.M., Sunday school, nursery. International, all denominations welcome. Dorotheergasse 16, Vienna 1.

ZURICH

INTERNATIONAL PROTESTANT CHURCH English speaking, worship service, Sunday School & Nursery. Sundays 11:30 a.m., Schanzengasse 25. Tel.: (01) 2625625.

WEATHER

Forecast for Sunday through Tuesday, as provided by AccuWeather.



North America

Bitterly cold air will put much of the United States in a deep freeze into next week, as arctic air extends from the Rockies to the East coast. The only exception will be in the deep Southeast and Florida, where it will be mild. Showers may affect California Sunday.

Europe

Much of Europe will gradually experience the return of more seasonable weather through Tuesday. Western Europe will have near to even above-normal temperatures, while eastern Europe becomes more seasonable. Wet and cool in southern Italy and southeast Europe with locally heavy rains possible.

Asia

Beijing and northeast China will be seasonable Sunday, followed by another arctic blast early next week. This cold blast will reach Seoul Tuesday, while Tokyo has a gradual moderating trend through Tuesday. Typically warm in Asia; Hong Kong and southeast Asia's Hong Kong may have a shower Monday.

Europe

	Today High	Today Low	Today W	Tomorrow High	Tomorrow Low	Tomorrow W
	C/F	C/F		C/F	C/F	
Algarve	20/68	12/53	pc	19/66	11/52	s
Amsterdam	1/34	-1/31	pc	7/44	6/43	c
Ankara	7/44	1/34	c	5/41	0/32	c
Athens	16/61	13/55	sh	16/61	11/52	r
Barcelona	13/55	4/39	s	13/55	7/44	pc
Belgrade	2/35	1/34	r	1/34	-2/28	sn
Berlin	-3/27	-7/20	pc	1/34	0/32	c
Brussels	2/35	1/34	pc	7/44	5/41	c
Budapest	2/35	-3/27	c	2/35	-1/31	pc
Copenhagen	-2/28	-5/23	pc	0/32	-1/31	sn
Costa Del Sol	19/66	11/52	pc	19/66	10/50	s
Dublin	14/57	8/46	sh	11/52	8/46	c
Edinburgh	7/44	4/39	r	9/48	7/44	sh
Florence	6/43	2/35	sh	8/46	2/35	pc
Frankfurt	-3/27	-8/18	pc	-1/31	-3/27	c
Geneva	2/35	-3/27	pc	6/43	3/37	pc
Helsinki	-9/16	-14/7	pc	-7/20	-8/18	pc
Istanbul	12/53	11/52	r	13/55	9/48	c
Las Palmas	23/73	19/66	pc	23/73	17/62	t
Lisbon	18/64	12/53	pc	18/64	11/52	s
London	9/48	6/43	r	11/52	7/44	c
Madrid	15/59	8/43	c	15/59	5/41	pc
Mallorca	11/52	5/41	s	13/55	8/46	pc
Milan	4/39	-4/25	pc	6/43	0/32	s
Moscow	-11/13	-18/0	pc	-12/11	-17/2	pc
Munich	0/32	-7/20	c	2/35	-3/29	pc
Nice	12/53	4/39	s	14/57	8/46	c
Oslo	-10/15	-13/9	c	-9/16	-11/13	sn
Paris	4/39	2/35	sh	8/46	6/43	c
Prague	-3/27	-9/16	pc	-1/31	-3/29	pc
Reykjavik	3/37	2/35	c	2/35	-1/31	c
Rome	12/53	8/46	sh	12/53	5/41	c
St. Petersburg	-9/16	-14/7	pc	-9/16	-11/13	pc
Stockholm	-5/24	-10/15	pc	-3/27	-4/25	sf
Strasbourg	2/35	-2/29	pc	5/41	4/39	c
Tallinn	-9/16	-14/7	pc	-7/20	-7/20	pc
Vienna	3/37	-2/29	sn	6/43	0/32	pc
Vilnius	1/34	-5/22	r	1/34	-1/31	pc
Warsaw	-4/25	-10/15	pc	-4/25	-5/24	pc
Zurich	0/32	-4/25	pc	3/37	2/35	pc

Middle East

Abu Dhabi	23/73	13/55	s	24/75	12/53	s
Beirut	21/70	15/59	s	24/75	17/62	s
Cairo	23/73	13/55	s	26/82	16/61	s
Damascus	18/64	6/43	s	21/70	8/46	s
Jerusalem	17/62	8/46	s	20/68	9/48	s
Luxor	26/82	8/46	s	31/88	12/53	s
Riyadh	22/71	8/48	pc	22/71	9/48	pc

North America

	Today High	Today Low	Today W	Tomorrow High	Tomorrow Low	Tomorrow W
	C/F	C/F		C/F	C/F	
Anchorage	-2/29	-4/25	sf	3/37	1/34	sn
Atlanta	2/35	-7/20	s	2/35	-3/27	pc
Boston	3/37	-7/20	sf	2/35	-7/20	pc
Chicago	-12/11	-16/4	sf	-12/11	-16/4	pc
Dallas	-1/31	-8/18	pc	-2/29	-5/22	sf
Denver	-12/11	-22/-7	sf	-1/47	-23/-9	sn
Detroit	-7/20	-11/13	sn	-8/18	-12/11	c
Honolulu	27/80	19/66	pc	28/82	19/66	pc
Houston	9/48	-2/29	pc	7/44	-1/31	sh
Los Angeles	20/68	9/48	pc	19/66	8/46	pc
Miami	23/73	14/57	pc	24/75	17/62	pc
Minneapolis	-19/-2	-23/-9	c	-16/4	-19/-2	c
Montreal	-9/22	-11/13	sn	-7/20	-16/4	pc
Nassau	23/73	17/62	c	24/75	17/62	c
New York	1/34	-4/25	sf	0/32	-4/25	pc
Orlando	18/64	4/39	s	21/70	11/52	pc
Phoenix	18/64	7/44	pc	18/64	5/41	pc
San Fran.	13/55	7/44	pc	12/53	5/41	pc
Seattle	7/44	-1/31	pc	7/44	-2/29	pc
Toronto	-9/22	-10/15	sn	-7/20	-13/9	pc
Vancouver	7/44	-3/27	pc	9/48	3/37	pc
Washington	1/34	-5/22	pc	0/32	-7/20	pc

Asia

	Today High	Today Low	Today W	Tomorrow High	Tomorrow Low	Tomorrow W
	C/F	C/F		C/F	C/F	
Bali	31/88	23/73	t	32/89	22/71	t
Bangkok	30/86	18/64	pc	28/79	19/66	pc
Beijing	3/37	-4/25	s	6/43	-1/31	s
Bombay	28/82	16/61	s	28/82	16/61	s
Calcutta	24/75	12/53	pc	23/73	11/52	s
Chiang Mai	27/80	16/61	pc	27/80	16/61	pc
Colombo	29/84	21/70	pc	29/84	21/70	pc
Hanoi	19/66	12/53	s	18/66	14/57	s
Ho Chi Minh	32/89	21/70	s	31/88	22/71	pc
Hong Kong	18/64	11/52	s	17/62	13/55	s
Islamabad	11/55	3/37	s	19/66	3/37	pc
Jakarta	29/84	24/75	t	29/84	24/75	sh
Karachi	25/77	8/46	s	25/77	8/46	s
K. Lumpur	31/88	22/71	pc	30/86	23/73	c
K. Kinabalu	31/88	26/79	pc	30/86	25/77	pc
Manila	29/84	19/66	pc	28/82	21/70	c
New Delhi	23/73	3/37	s	23/73	4/39	s
Phnom Penh	28/84	19/66	s	28/82	22/71	pc
Phuket	30/86	18/64	pc	29/78	18/64	pc
Rangoon	29/84	17/62	pc	28/79	18/64	pc
Seoul	4/39	-4/25	s	4/39	-3/27	pc
Shanghai	6/43	-2/29	s	8/46	1/34	s
Singapore	31/88	23/73	pc	31/88	25/77	pc
Taipei	15/59	9/48	s	16/61	12/53	s
Tokyo	9/48	1/34	s	8/46	2/35	s
Vientiane	19/66	13/55	s	19/66	14/57	s

Africa

Algiers	14/57	2/35	s	14/57	4/39	pc
Cape Town	23/71	12/53	s	23/73	12/53	s
Casablanca	23/73	13/55	s	23/73	12/53	s
Harare	28/82	9/48	s	29/84	9/48	s
Lagos	31/88	23/73	pc	31/88	23/73	pc
Nairobi	28/82	12/53	pc	31/88	13/55	s
Tunis	12/53	9/48	r	13/55	8/46	r

Latin America

Buenos Aires	34/93	21/70	pc	32/89	21/70	t
Caracas	29/84	22/71	pc	29/84	23/73	pc
Lima	26/79	21/70	pc	26/79	20/68	pc
Mexico City	17/62	2/35	s	19/66	4/39	pc
Rio deJaneiro	28/82	21/70	pc	27/80	23/71	sh
Santiago	31/88	9/48	s	28/82	10/50	s

Oceania

Auckland	23/73	14/57	c	20/68	12/53	pc
Sydney	20/68	12/53	pc	19/64	12/53	pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hce, W-Weather All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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Did Speaker Break Deal With Panel?

Tape Reveals Gingrich Orchestrating Spin on Ethics Charges

By Adam Clymer
New York Times Service

WASHINGTON — On the day in December when Newt Gingrich admitted bringing discredit on the House, his lawyer told Republican leaders that the speaker had promised an ethics subcommittee not to use his office and his allies to orchestrate a counterattack against the committee's charges.

That was a part of the price for the subcommittee's agreement to accept his admission of guilt and spare him the potential humiliation of a public trial.

But that same day, even before the charges had been made public, Mr. Gingrich held a telephone conference call with other House leaders in which he made suggestions for a statement that the leaders would issue immediately after the panel's charges were disclosed.

He also suggested the timing of various responses to Democratic attacks. The politicians agreed on how they could use their opponents' comments to attack the ethics subcommittee's findings indirectly without technically violating the agreement that Mr. Gingrich's lawyers made with the panel.

The call was taped by a couple in Florida who were unsympathetic to Mr. Gingrich and who said they heard it on a police scanner that happened to pick up the cellular telephone transmissions of one of the participants. It was given to a Democratic congressman, who made the tape available to The New York Times.

Mr. Gingrich's office on Thursday did not question the authenticity of the conversation, but insisted that it did not violate any agreement with the ethics subcommittee.

The speaker and his allies acknowledged during the call that their conversation was "premature," since the subcommittee had not yet even voted on the charges against Mr. Gingrich. Nevertheless, they talked about how to handle inevitable Democratic attacks; how to time the day's events with newspapers, news agencies and the evening television news in mind, and — above all — how to avoid making all that look as if Mr. Gingrich was pulling the strings.

In the Dec. 21 conversation, Mr. Gingrich's lawyer, Ed Bethune, said: "It is very important for me to be able to say to the special counsel and if necessary to the committee members that we — and by that I mean the other attorney, Randy Evans, and I, and Newt — have done everything in our power to try to stop all things that might be construed in any way as an orchestration attempt by Newt Gingrich."

Mr. Gingrich, Mr. Bethune and the others then went on to discuss their tactics. The tape, in which the voices of Mr. Gingrich and other leaders are clearly recognizable, was plainly a recording of a conversation that took place before the subcommittee released its charges and Mr. Gingrich's admissions.

The call capped a week of elaborate plea-bargaining over the framing of the charges — and Mr. Gingrich's admission — that the speaker had brought discredit on the House by giving untrue information to the ethics committee and by failing to get proper legal advice about the way he used money from tax-exempt foundations for a college course and televised town meetings with political overtones.

Mr. Gingrich's admission avoided a full-scale trial in which the details would have been televised nationally. In return, the committee's special counsel, James Cole, insisted on a promise that the speaker would not use his allies to mount a counterattack against the subcommittee's case, since its rules forbade Mr. Cole and members from answering such attacks.

The tone of the conversation was optimistic. The speaker and the other leaders believed that a coordinated response could enable them to limit political fallout.

On Thursday, Lauren Maddox, a spokeswoman for Mr. Gingrich, defended the speaker's role. "Newt has always had the right to run for speaker and campaign," she said. "Any statement he made was in no way undermining the work of the committee."

In the taped conversation, Mr. Bethune said that in a couple of hours, once the subcommittee announced its actions, "it would also be a time when we are authorized to have the conversation that we are having now, a little prematurely. But I don't think it would be troubling to anyone that we are a little ahead of the gun."

Mr. Cole would not comment Thursday, but the conversation itself suggested that the situation at the time seemed more complicated than Ms. Maddox contended.

Mr. Bethune made several efforts to outline the slippery path that all must follow. One ally asked him what the leaders should say about any agreement between Mr. Gingrich and the subcommittee.

The lawyer replied: "No. I didn't say there was an agreement. I said there was a delicate process under way and that this is what Newt is going to do, in response to the delicate process. There is no agreement, no deal. We are not authorized to say that.

"Now if I can be very delicate here. There is one other constraint," Mr. Bethune continued. "He can run for speaker, but he must maintain his confidentiality as far as public statements. And then, finally, Newt will not orchestrate, nor will he be — he will not orchestrate any attempt to spin this in such a way that it belies what he is admitting today in the statement of alleged violations."

But having barred one door, Mr. Bethune opened a window. "Having served as a member," he said, "you know when documents become public, I as a member, am entitled to say whatever the hell I want to say about those public documents. I guess that applies to any of you all who may be listening."

■ Panel Chief Scuttles Pact

John E. Yang of the Washington Post reported:

Representative Nancy Johnson, the Republican leader of the House ethics committee, has abruptly and unilaterally postponed next week's public hearings on Mr. Gingrich's case, scuttling an agreement reached with committee Democrats just hours earlier and once again throwing the case into turmoil.

The plan that unraveled Thursday night called for as many as five days of televised hearings into Mr. Gingrich's admitted ethical violations, but envisioned that Mr. Cole, the special counsel, would have turned in his report after the House voted on the speaker's punishment.

Luke Frazza/Agence France-Presse

Vice President Al Gore, left, and Mr. Gingrich before Congress formally tabulated the electoral college vote in the 1996 presidential election.

Georgia Tells Envoy to Stay

Compiled by Our Staff From Dispatches

WASHINGTON — President Eduard Shevardnadze of Georgia on Friday ordered a diplomat who was involved in car crash that killed a 16-year-old girl to remain in the United States until an investigation was completed.

The State Department spokesman, Nicholas Burns, said that Mr. Shevardnadze had also informed the U.S. Embassy in Georgia that he was prepared to waive the diplomatic immunity of the envoy, Gueorgui Makharadze, 35, who could face charges ranging from negligent homicide to second-degree murder.

Washington "very much welcomes this step by Chairman Shevardnadze," Mr. Burns said. "It's a courageous step. It's highly unusual in modern diplomacy to see a head of state take such a responsible and courageous position."

But U.S. officials cautioned that Mr. Shevardnadze's statement did not amount to lifting the diplomat's immunity and said that Georgia would have to decide whether to do so if U.S. authorities brought charges. *(AP, Reuters)*

Peru Negotiations at a Standstill

Fujimori Admits to Few Contacts With Rebels as Crisis Drags On

By Gabriel Escobar
Washington Post Service

LIMA — President Alberto Fujimori of Peru said Friday that his government had had only three direct conversations with the rebel group holding hostages at the Japanese ambassador's residence, a frank acknowledgment that negotiations to end the three-week-long crisis had hardly advanced.

In an interview with The Washington Post, Mr. Fujimori also said that one country had offered asylum to the rebels and that others may be approached in the future as part of a broader strategy to find a solution.

He said this option would be worked out in conjunction with the Japanese government but cautioned that, as with any other solution, a discussion on possible asylum hinged on the rebels releasing the 74 hostages and surrendering their weapons.

Although Mr. Fujimori emphasized that there had been no talks at all with the rebels in about a week, the president for the first time provided some details on a government proposal to use an independent commission as a way of finding an "exit" for the rebels once they surrendered.

He said the so-called commission of guarantors would be made up of three to five people — not necessarily limited to Peruvians — and that each would have to be approved by both the government and the rebel leader, Nestor Cerpa Cartolini.

How Mr. Fujimori has been handling himself has been the subject of intense speculation, not only among foes who have grudgingly admired his unyielding posture in the face of a grave situation, but also by foreign diplomats who have wondered how this sometimes inscrutable leader is making his choices.

From the onset of the crisis, which placed Peru in the international spotlight and made Mr. Fujimori responsible for the lives and well-being of ambassadors and many other dignitaries, there has been little doubt that the outcome relied almost entirely on the will and whim of the man holed up in the presidential palace.

"As far as the negotiations, everyone knows that mine is a hard position," Mr. Fujimori said. "That has not changed. I continue, with prudence and with rationality, and also with a lot of realism." Asked what would happen if the government learned that a hostage had been harmed, Mr. Fujimori said bluntly: "In that case, the logic with which we are working will change completely."

Mr. Fujimori reported that Domingo Paletmo, his chief mediator, and Mr. Cerpa had discussed the possibility of meeting this weekend, a positive sign given the now-suspended talks. But even if the communication were to begin again over the next few days, indications are that the crisis will take weeks and possibly months to resolve.

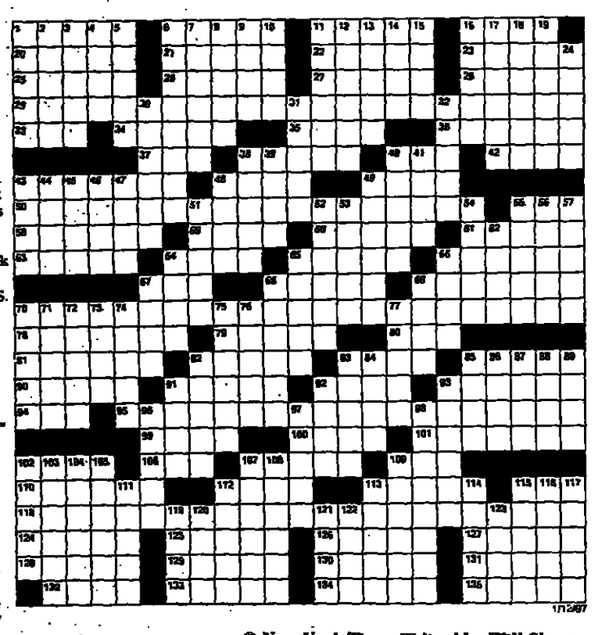
Mr. Fujimori appeared prepared to handle a long siege and said he was not worried that a lengthy crisis would give opponents an opportunity to second guess or criticize, as some here are predicting.

So far, public criticism of Mr. Fujimori has been all but muted, even from opponents who privately point out that the government will have to explain later how the small rebel group managed to pull of such a bold attack.

One other potentially sensitive matter for the president is how he will explain his oft-repeated claim that terrorism was all but dead in Peru. At one point he promised to wipe out all rebel groups by June 1995.

"Naturally I had to set a goal for myself, but that was for a reason," Mr. Fujimori said.

I WANTED TO BE A... By Mel Rosen



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ACROSS
1 "—— It Be Magic" *(Manilow song)*
6 Country place for Yeltsin
11 16-Down, for one
16 Recipe amt.
20 Prefix with -pathy
21 Contemporary author Canin
22 Kind of cross
23 They get what's left
25 More aloof
26 Car in a Beach Boys song
27 Irregular
28 Longhorn rival
29 . . . faith healer, but I . . .
33 Cádiz Mrs.
34 "The heck with you!"
35 Large group
36 Cherish
37 Trig figure: *Abbr.*
38 Grenoble's river
41 It's good in Paris
42 *Benchmarks:* Abbr.
43 Exchange
48 *Convertiplane,* e.g.
49 Shipping hazard
50 . . . publisher of e.e. cummings's works, but I . . .
55 Country singer Tillis
58 Each
59 "Shrovetide Revelers" artist
60 Coeur d'——, Idaho
61 Crockett's last stand
63 Past its prime
64 "Mister ——" (1957 Tony Curtis film)
65 *Go through*
66 Visit
67 Singer Janis
68 Cha, cha, cha, e.g.
69 Neologism
70 . . . masseur, but I . . .
78 Works into a passion
79 Cowboy gear
80 Smithfield *product*
81 Combs
82 Collapses
83 *Product of* Sweden
85 Former *chairman of* CBS
90 Say "fo'c'sle," e.g.
91 San ——, Calif.
92 Eastern title
93 Violinmaker Amati
94 Address book info: Abbr.
95 . . . mine, but I . . .
99 Wasn't straight
100 Many paintings
101 Releases, in a way
102 Runner Zatopek
106 Cover
107 Word on all U.S. coins
109 Misc. ending
110 Corelli composition
112 Office
113 Dinsmore the prig
115 Cousin of "ugh!"
118 . . . sumo wrestler, but I . . .
124 Free
125 Disinclined
126 Tropical palm
127 Triangular peninsula
128 *Minneapolis* suburb
129 Big name in the metals industry
130 Do
131 Baylor of basketball fame
132 Overcharge
133 Limitlessly
134 Hell, with "the"
135 It's a wrap

DOWN
1 Prepares to strike, maybe
2 March honor
3 Punic War city
4 National emblem of Wales
5 Quiz whiz Charles Van ——
6 Oust
7 *One of* Pete Rose's records
8 Does gym-class exercises
9 Like Hannah's heart, in song
10 Connective tissue of prose
11 Warm-up act
12 Made without milk or meat
13 Thermosetting resin
14 Farrier's tool
15 On the safe side?
16 Massenet work
17 Sires
18 Official impression
19 Set an asking figure
24 Has the *earmarks of*
30 Figure
31 Daggers, in printing
32 Dancer Jeanmaire
38 Autostrada's place
39 Bribes
40 Word with date or trust
41 Slime
43 Moore starter
44 Intent
45 Polo grounds?
46 Field of honor fight
47 Suffix with *differ*
48 Badge of battle
49 Work on a whaling ship
51 River of Avignon
52 Retina layers
53 A as in Acre
54 "Mack the Knife" singer
55 Tree also called a custard apple
56 Bygone computer
57 It may be advanced
62 Extended
64 Tops off
65 Galley notations
66 Popular PC shooting game
67 Mid-month, in old Rome
68 Go downhill, in a way
69 Complain
70 Furnace button
71 Truce word
72 Swelter
73 Unit of data transmission
74 Casmerodius albus, commonly
75 Spieled
76 Carpetlike
77 Slip
82 Like Hitler's "diaries"
83 Got wind of, old-style
84 Feels punk
85 Small songbirds
86 It stands for something
87 François Boucher's "Nude Lying on a ——"
88 Fast pace
89 Have the —— for
91 Year in St. Leo IX's papacy
92 "No returns"
93 Vatican emissary
96 To whom the Kaaba is dedicated
97 4-H participant
98 Exhibits more stamina
102 Architectural suffix
103 Diamond elevations
104 Ab —— (from the beginning)
105 Many a novels watcher
107 Old Jutland resident
108 "Cosby" co-star
109 Puts in
111 Fine-tune
112 Slot
113 Kind of wheel
114 Road race maneuvers
115 Beat it!
116 *Profit*
117 "Die Lorelei" poet
119 Exuberance
120 Court plea, informally
121 Bullfighter's cloak
122 Aladdin, e.g.
123 To the —— (completely)

Solution to Puzzle of Jan. 4-5

H	O	R	S	E	■	F	A	N	J	E	T	S	■	B	U	D	I	T	I	N
A	B	O	S	E	■	S	T	E	A	L	U	P	■	I	N	A	R	A	G	E
W	I	L	M	A	■	T	H	E	G	I	T	E	O	F	S	P	A	I	N	G
H	O	D	A	D	■	Q	E	D	■	S	C	A	L	E	S	■	L	I	L	
A	L	I	■	■	S	P	I	N	E	S	■	I	T	E	R	■	■	S	T	E
W	E	D	T	A	T	■	S	T	R	E	A	M	E	R	S	■	E	P	I	C
■	■	G	U	L	E	T	■	I	N	T	E	R	S	■	C	L	I	N	T	
S	P	A	R	T	E	L	■	A	C	T	O	R	■	D	O	I	N	E	S	
P	E	T	E	P	O	U	N	T	A	I	N	■	A	L	O	N	E	■	■	■
O	E	S	■	■	S	O	T	■	K	E	W	G	A	T	E	■	G	T	C	
U	S	A	■	H	A	I	T	A	I	■	S	H	A	P	E	S	■	C	A	R
T	E	Y	■	L	I	V	O	R	N	O	■	E	M	A	■	■	D	E	M	E
■	■	■	E	L	I	E	R	■	E	L	D	R	A	L	S	P	A	Y	E	
N	E	T	R	E	S	■	■	C	A	D	R	E	■	M	A	R	I	N	A	S
A	R	G	E	S	■	C	R	A	C	K	I	■	F	A	R	O	E	S	■	
R	P	M	S	■	P	O	O	L	T	A	B	L	E	■	T	W	E	E	T	E
L	O	E	■	■	R	A	U	L	■	T	I	E	R	R	A	■	■	L	A	W
O	N	O	■	P	A	S	S	O	S	■	■	A	N	I	■	A	D	E	L	A
W	E	L	L	I	N	T	E	N	T	I	O	N	E	D	■	R	A	V	E	L
E	N	F	O	R	C	E	■	M	A	X	I	N	E	■	I	R	E	N	E	
S	T	E	A	L	E	R	■	E	N	T	E	R	T	S	■	D	E	S	T	S

Away From Politics

• **Federal officials charged 15 people and 3 businesses** in a nationwide crackdown on the smuggling of ozone-damaging refrigerants, which now rank No. 2 behind narcotics as a source of black-market profits on the U.S.-Mexican border. The arrests represent the biggest single sweep of suspects in the government's campaign against the illegal trade of chlorofluorocarbons. Such trade has grown quickly since U.S. production of the compounds was outlawed last year. Smugglers can buy the gas legally and cheaply in Mexico. *(WP)*

• **A man condemned for shooting a 72-year-old man** during a 1982 arson and robbery was executed in the electric chair in Alabama hours after he professed his innocence and Christian faith on a radio station. Billy Wayne Waldrop, 44, was put to death at Holman Prison for the murder of Thurman Macon Donahoo. His burned body, shot in the head, was found in the charred ruins of his home after a robbery and arson in which $130 and a 5-carat diamond ring were stolen. *(AP)*

• **Shellfish lovers should avoid Louisiana oysters** that have been associated with an outbreak of gastrointestinal illness that has hit 150 people, the government warned. Louisiana shut several oyster beds on Jan. 3, because 21 people in Florida, Alabama and Louisiana got sick after eating raw oysters during the Christmas holiday. But the Food and Drug Administration discovered the problem went beyond the three states, which were warned this week about the outbreak of nausea, vomiting and diarrhea. *(AP)*

• **More than 100 bags of wreckage from TWA Flight 800** were dredged from the ocean floor this week by scallop trawlers and brought to shore for analysis. Four vessels have resumed salvage operations off Long Island, recovering pieces of the plane's fuselage and personal affects of the victims. *(AP)*

POLITICAL NOTES

White House Claims News 'Conspiracy'

WASHINGTON — It does not take the CIA or the FBI to know that the White House does not like everything that is written about it. But is there a "Communication Stream of Conspiracy Commerce?"

According to the White House counsel's office, there is. The phrase is used by lawyers in a memorandum on how some Whitewater stories and tales about the suicide of a former White House deputy counsel, Vincent Foster, found their way to the mainstream media.

The two-and-one-half-page memorandum, whose existence dominated part of Thursday's White House press briefing, was attached to about 300 pages of analysis and newspaper clippings assembled by the Democratic National Committee. The whole package was first distributed by the counsel's office to selected journalists in 1995.

"The Communication Stream of Conspiracy Commerce refers to the mode of communication employed by the right wing to convey their fringe stories into legitimate subjects of coverage by the mainstream media," the counsel's office memorandum said.

The articles, it said, moved from "well-funded right-wing think tanks," newsletters and newspapers to the Internet, where they were then "bounced all over the world."

From there, the articles were picked up by "British tabloids" or the "American right-of-center mainstream media," the counsel's office wrote. Then they were looked into by congressional committees, and that created a "legitimacy to be covered by the remainder of the American mainstream."

The White House press secretary, Mike McCurry, said the White House drafted the memorandum because of inquiries it had received on how discussions on the Internet had fueled the Whitewater story. The purpose of the memorandum, he said, was to "help journalists understand that they shouldn't be used by those who are really concocting their own conspiracies and their own theories." *(NYT)*

Republican Chiefs Warn on Budget

WASHINGTON — Setting out on what is likely to be another year of bitter battles over how much to cut taxes and spending, Republican leaders in Congress have warned President Bill Clinton not to rely on "gimmicks" in his upcoming plan to eliminate the federal deficit.

They also said they would schedule a vote next month on a constitutional amendment requiring a balanced budget.

Speaking earlier in the day, Mr. Clinton pledged that he would submit a credible budget and maintained the tone of conciliation toward Republicans that he has used since the election in discussing efforts to bring federal spending in line with revenue.

"I think this budget will show that I am making a clear effort to reach out to them and meet them halfway to get this job done," Mr. Clinton told reporters at a White House event to announce a decline in the rate of defaults on student loans.

Republican leaders said they had acceded to the White House's request that the administration be allowed to submit its budget to Congress three days later than the legal deadline of Feb. 3 to allow the president to give his State of the Union Message first, on Feb. 4. *(NYT)*

Quote/Unquote

Ira Arlook, director of a study by Citizen Action showing that campaign donations from corporations or their officers were crucial in helping Republicans win hotly contested races in the last election: "This seems to confirm what most Americans believe: More and more elections are determined by the highest bidders." *(NYT)*

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UN in Crisis, New Chief Says, but He Rules Out Huge Cuts

By John M. Goshko
Washington Post Service

UNITED NATIONS, New York — The new secretary-general, Kofi Annan, has said the United Nations is beset by a financial and political crisis that requires far-reaching reform.

But he pointedly declined to equate reform with massive or "arbitrary" cuts in personnel or vital programs, saying he has never supported "disjointed downsizing."

In an address to the 9,000 employees of the UN Secretariat, Mr. Annan, who took office Jan. 1, called attention Thursday to the conflicting pressures that he will face over the next five years as he tries to steer the world body between demands from the United States for major downsizing and calls from the Third World for more assistance in their development.

"It is up to the member states to define what they want the United Nations to be and to do — to outline their vision of the goals they want us to attain, and to set new priorities," Mr. Annan told the employees of the office of the secretary-general and deputies. "But it is up to the Secretariat to shape this instrument of peace and progress to fit that new identity, to chart a route toward those goals, to develop the skills required to meet these challenges."

Mr. Annan, a Ghanaian who spent three decades in the UN bureaucracy, was elected secretary-general last month after the United States blocked the re-election of his predecessor, Boutros Boutros Ghali of Egypt, because the Clinton administration considered him insufficiently committed to reform. The administration hopes Mr. Annan will subject the United Nations to a shake-up that will persuade the Republican-controlled Congress to pay more than $1 billion in U.S. debts that have brought the United Nations to the brink of bankruptcy.

In Washington's view, reform means a top-to-bottom trimming of UN functions, expenses and personnel, and the outgoing secretary of state, Warren Christopher, reiterated that goal to Mr. Annan when he came here for a farewell call Tuesday.

The new secretary-general replied that while U.S. leadership was important, Washington must seek compromise with the vision that other countries have for the United Nations. And, as a man elected as a representative of Africa, he reminded Mr. Christopher that the poorer nations think the United Nations has no task more important than helping them to grow economically.

In his remarks Thursday, he elaborated on these themes, arguing that reform is not an end in itself "or simply a matter of dollars and cents." Instead, he said, "it is a tool to create a more relevant and a more effective organization" able to continue playing an important role in peacekeeping, conflict resolution and sustainable development.

"The next five years must be, above all, a time for healing," Mr. Annan said. "We must heal the financial crisis of the organization, which cannot be expected to move forward if it is dragged down by the burden of unpaid dues."

"But," he added, "it is up to us to prove to the member states that their contributions are used wisely and efficiently for the implementation of programs which they have mandated."

SOFIA: *Parliament Smashed*

Continued from Page 1

parliamentary floor leader of the opposition Union of Democratic Forces.

All windows were smashed on the ground floor of the building, a Renaissance-style landmark in the center of Sofia.

Police trained jets of water on the crowds, who were smashing and overturning the cars that deputies had parked outside.

President-elect Petar Stoyanov, an opposition figure whose election two months ago marked the collapse of public support for the Socialists, was overcome by tear gas while trying to calm the crowds through a loudspeaker. He was taken away by bodyguards.

Opposition deputies walked out of the Parliament late Friday night, saying they wanted to protect anti-government demonstrators outside the building.

"We are leaving this Parliament and we are walking out physically because the risk for you outside the Parliament is greater than for those inside," said the overall leader of the Union of Democratic Forces, Ivan Kostov.

"We are here as a guarantee for your safety," Mr. Kostov said outside the building, which was surrounded by double cordons of riot police. Some 200 Interior Ministry troops were also brought in to guard the doors of Parliament.

Socialist deputies, protected by Interior Ministry troops, remained stranded in the building, fearing the crowds would attack them if they tried to leave.

The opposition deputies walked out after the ruling party refused to vote on their declaration calling for early elections.

"We will start preparations for a nationwide political strike and we believe everyone will join us," Mr. Kostov said. "After this clash and this lack of understanding, we believe there is no possibility for us to stay and keep on working in this Parliament."

Since the Socialists won the last elections in December 1994, Bulgaria has gone virtually bankrupt in its worst economic crisis since the collapse of communism in 1989.

Inflation in 1996 topped 300 percent, the national currency is plunging daily and the average monthly salary equals about $20.

The next parliamentary elections are due in 1998. But the opposition wants Parliament to replace the National Bank Board, adopt a three-month economic stabilization program and dissolve Parliament. Then the president would have to call elections by March and appoint a caretaker cabinet to implement the program. *(AP, Reuters, AFP)*

Disavowing 2 Bombings, Arafat Urges EU to Play A Bigger Role for Peace

Compiled by Our Staff From Dispatches

PARIS — Yasser Arafat said Friday that two bombs that exploded in Tel Aviv late Thursday concerned only internal events in Israel, and he appealed for European help to move peace negotiations forward.

"We have nothing to do with this attack," the Palestinian leader said. "It is an attack which concerns internal events within Israel." He spoke after meeting President Jacques Chirac of France.

The blasts, which Israel blamed on Arab militants, wounded at least 13 people near Tel Aviv's central bus station, officials said.

No one took responsibility. Prime Minister Benjamin Netanyahu blamed "terrorists," and the police said Friday that forensic evidence pointed to a terrorist act, although they could not rule out a gangland attack.

The explosions came against the backdrop of talks on Israel's long-delayed withdrawal from most of the West Bank city of Hebron.

Mr. Arafat said that Mr. Netanyahu's demand for a postponement of the Israeli withdrawal from parts of the West Bank until 1999 "literally blows up the whole peace process just as making new settlements and expanding settlements sabotage the whole peace process."

He urged Europe to play a greater role. "I asked President Chirac to support and work for the European role, because the European Union has an important role to play in protecting and moving forward the peace process," he said.

Referring to Israeli and U.S. opposition to a European role in the negotiations, Mr. Arafat said: "How can one ask the EU and France to play an economic and financial role while some people continue to refuse a political role?"

Mr. Chirac's spokeswoman, Catherine Colonna, said that he had agreed that an EU special envoy, Jose Maria Moratinos, should play a role in giving an impulse to the peace negotiations.

In Israel, thousands of Israeli soldiers, on alert for bombings, patrolled near mosques in Jerusalem and closed streets Friday as Muslims marked the start of the holy month of Ramadan. At a West Bank rally, Islamic militants chanted, "We want a big attack."

Israeli troops traditionally are on higher alert for attacks during Ramadan. This year, the start of the fasting month roughly coincided with the first anniversary of the assassination of Yahya Ayyash, the chief bomb maker of the Muslim militant group Hamas.

Mr. Ayyash was killed Jan. 5, 1996, by a rigged mobile phone in an operation attributed to Israel. Avenging him, Hamas carried out four suicide bombings last February and March, killing 63 people. Hamas has threatened fresh attacks for this anniversary. *(Reuters, AP)*

Vincent Amalvy/Agence France-Presse

Albra Ayyash, the young son of an assassinated leader of the Hamas terrorist organization, being carried aloft in a parade in Nablus on Friday, the ninth anniversary of the founding of the Palestinian group.

YELTSIN: *Longer Hospital Stay*

Continued from Page 1

Dr. Mironov said he believed that Mr. Yeltsin should have been hospitalized several days earlier, after he appeared cheerful but somewhat tired when he met with the German chancellor, Helmut Kohl, last week. But despite a bad cough and breathing problems, the president refused.

"The man had just recovered from one serious problem when a second one appeared," Dr. Mironov said. "I can understand" his reaction "as a person, but as a doctor I have another position."

Now, said Dr. Mironov, Mr. Yeltsin "is not very cheerful, but there is no cause for pessimism."

Mr. Yeltsin suffered a heart attack in late June, a fact that was obscured for months by an orchestrated Kremlin cover-up. He finally had heart surgery in early November, then returned to the Kremlin just before Christmas following nearly two months of convalescence.

He said he was raring to go, and the Kremlin press service did its best to fashion a picture of a hale and energetic president. In his few public appearances he looked reasonably healthy. But barely two weeks elapsed before he fell sick again.

Already misled and lied to about Mr. Yeltsin's health, Russian newspapers are treating every statement from the Kremlin now with undisguised cynicism.

"Once again, doctors are insisting that everything will be in order within a week," was the headline in Friday's issue of Nezavisimaya Gazeta, a liberal opposition paper. Said Moskovsky Komsomolets, the capital's most popular daily: "Who is leading us?"

GOLD: *Trail of Riches Looted by Nazi Germany Returns to Haunt Portugal*

Continued from Page 1

past has revived with tales of the city as a pivotal center for spies and a place of unscrupulous deals, where weapons and goods were transshipped to support the German war machine.

Older people here say they knew that the country's neutrality was a useful cover for doing business with all sides. But few had heard of the enormous gold trade with Germany.

According to Allied records, close to 100 tons of Nazi gold ended up in Portugal after first passing through Swiss banks that were apparently helping to disguise its origins. Almost half of this gold is believed to have been stolen from the treasuries of European countries that fell to the Nazis.

Records of Portugal's wartime dealings have recently been revealed in the news media here, astonishing today's generation of Portuguese.

They also appear to have embarrassed the establishment deeply.

President Jorge Sampaio and Prime Minister Antonio Guterres have discussed the issue in meetings of the cabinet, but have so far declined to comment publicly.

Until 1968, when the dictator Antonio de Oliviera Salazar retired, censorship was used to keep secrets. When Portugal became a democracy in 1974, more pressing matters, like the leftist revolution and the independence of the colonies, kept such secrets in the dark.

Now, politicians, historians, students and news organizations are demanding that the government open its archives and give a full accounting of the collaboration with Hitler.

"It's a political and a moral issue," said Fernando Rosas, a professor of contemporary history at New University in Lisbon. "This government should speak out. It's not their doing."

The Bank of Portugal has long had a venerable image, but recent celebrations of its 150th anniversary were clouded by the public debate about its Nazi collaboration. It declined to send representatives to recent discussions on the gold issue organized by the city of Lisbon, television stations and universities.

Because the bank had a monopoly over the gold trade until after the war, its archives are considered vital.

[Apparently stung by the accusations, the central bank said Friday that it has opened its archives to an independent historian, The Associated Press reported.

[The bank's spokesman, Nuno Jonet, said its board of governors appointed Joaquim da Costa Leite, a professor of economic history at New University, to oversee the examination of the archives from the war years.]

Down in its vaults, the bank still has "two or three" gold bars stamped with swastikas, Mr. Jonet said.

"We kept them as curiosities," he said. "We do not admit any wrongdoing. The gold acquisition was the result of perfectly legal trade operations. I'm sure people at the time did not know the gold coming here was stolen."

Portugal used the same arguments before the Allied Tripartite Commission, which was in charge of recovering stolen gold after the war. American officials tried to pressure Portugal to surrender 44 tons of gold by freezing its assets in the United States and cutting back on wheat exports.

But the Salazar regime did not budge. In 1953, the Allies finally gave up, accepting the four tons Lisbon offered to return and letting it keep the rest.

"By then, the Cold War was under way and the Americans wanted to keep the Azores as a strategic base," said Jose Freire Antunes, who has written a history of the Azores.

Both Portugal and Switzerland insist that they were not aware that the Nazi gold they used for trade had been looted.

Antonio Louca, a historian at New University who is writing a doctoral thesis on Portugal's dealings in Nazi gold, dismisses those claims.

He said that as early as 1942 the Allies officially notified Western countries that Nazis were disposing of stolen gold through Swiss banks. Mr. Louca said he has obtained documents from Portugal's Foreign Ministry archives that cite the warning.

Old trade records tell part of the story: In 1940, less than 2 percent of Portugal's exports went to Germany; by 1942, that figure had reached 24.4 percent. Portugal sent Germany textiles, boots and food, but it earned most from tungsten, an alloy used in steel.

"At the height of the tungsten fever, prices in Lisbon increased by up to 1,700 percent," one history book reports.

Lisbon also was a crucial intermediary for Berlin, bringing insulin and industrial diamonds from Latin America and food from its African colonies, and selling Nazi gold in South America. A businessman whose foreign company had a long presence here said: "Salazar, the president, was the master of wartime neutrality. He charged extortionary prices."

After the war, the Allies demanded that Portugal give back at least 44 tons of looted Nazi gold. But Lisbon instead began to sell off its Nazi bullion secretly through Macau, with much of it going to China in the 1950s and '60s.

Historians, politicians and journalists are demanding that the Lisbon government tell all. Mr. Rosas, the professor, who is also editor of the magazine Historia, said the government must allow free research and clarify the whole issue. "The country needs to know the truth," he said.

INDONESIA: *Signs of Intolerance on the Rise*

Continued from Page 1

ists and analysts say the underlying causes of the disturbances are loss of faith in the government, as well as frustration over the gaps between rich and poor as the country relies increasingly on the free market and private sector to spur economic growth.

Moreover, the government is imposing ever-tighter political restrictions before legislative elections in May and a meeting of the electoral college in March 1998 to name a president for the next five years.

Analysts worry that if Jakarta continues that course, it may lead to more violent explosions.

"In the absence of appropriate channels for people to air their grievances or aspirations," said an Indonesian sociologist, Hotman Siahaan, "they will turn to violence."

Jakarta experienced its worst rioting in 20 years last July, sparked by government and police involvement in the removal of Megawati Sukarnoputri from the leadership of the Indonesian Democratic Party — one of three political groups allowed to contest elections.

In his annual budget speech Monday, President Suharto announced measures to further reduce poverty in Indonesia and bridge the gap between rich and poor.

He said that overall political stability and security "continue to be well under control."

But he also warned that in a "political year," the country must avoid "an uncontrolled situation, clashes and animosity among ourselves. This certainly is unhealthy and even endangers our nation."

On Tuesday, Foreign Minister Ali Alatas sought to put the recent troubles into perspective.

"What is important is for us and for our neighbors to realize that what is happening here is not unique," he said. "Of course modernization will exact its price as it has exacted its price in other societies, too. Why should Indonesia be different?"

Riots the day after Christmas in Tasikmalaya, in the western part of the main island of Java, were triggered by reports that several teachers from a Muslim boarding school were beaten by the police, apparently in reprisal for the school's punishment of a son of one of the officers.

Thousands of Muslims rioted in the streets of Tasikmalaya, burning dozens of police stations, churches, shops, banks, hotels and factories.

Four persons died, eight were injured. Government estimates put the damage at $36 million.

Last week, five persons were killed near Singkawang in West Kalimantan on Borneo island after a settler from Madura island off Java reportedly stabbed two indigenous Dayak tribesmen. More than 5,000 people of the Maduran ethnic group, who moved to sparsely populated West Kalimantan in a government resettlement program, temporarily fled the riot area, seeking safety in nearby military bases and towns.

An earlier riot, in October in the town of Situbondo in east Java, was evidently a reaction to what was seen by local Muslims as excessively lenient treatment given by the courts to a Muslim heretic on trial for blasphemy.

The mob burned 25 churches as well as other buildings. Five Christians died in one blazing church.

A court official said Thursday that the first trial of the Situbondo rioters had ended with five men receiving between seven and ten months in jail for burning a church, Reuters reported from Jakarta. The charges for which they were tried carried a maximum penalty of 12 years. Analysts said that the relatively light sentences appeared to be an attempt by the authorities to defuse tension.

BOOKS

THIS WILD DARKNESS
The Story of My Death

By Harold Brodkey. 177 pages. $20. Metropolitan Books/ Henry Holt & Co.

Reviewed by
Michiko Kakutani

BACK in the spring of 1993, the writer Harold Brodkey was feeling lousy. He says he thought "it was literary exhaustion, and age, and bad flu-bronchitis — the death-urgency brought on by finishing a book." It turned out to be AIDS. He died three years later, in January 1996.

This book is his record of his "passage into nonexistence," the "wild darkness" of death. Like so much of his writing, "This Wild Darkness" is by turns infuriating and manipulative, and sometimes dazzling. As Brodkey himself might put it: it is a sincerely, insincerely, candidly, uncandidly provocative book.

Although long passages in "Wild Darkness" are devoted to Brodkey's illness — his symptoms, his treatment, his prognosis, his attitude toward dying — the book's basic structure and concerns will be familiar to readers of his last collection of stories, "Stories in an Almost Classical Mode" (1988), and his three-decades-in-the-making opus, "The Runaway Soul" (1991).

Once again, we have a garrulous narrator (in this case, Brodkey himself) taking inventory of his life, reviewing and re-reviewing his feelings, his memories and his feelings about those memories.

In his earlier books, this technique, combined with a seeming reluctance to edit out even the most trivial, abstruse remark, often resulted in windy, self-indulgent narratives that were solipsistic to the point of parody. "This Wild Darkness," in comparison, is downright succinct: death, sadly, not only seems to have focused Brodkey's mind, but also, in providing that most unforgiving of deadlines, seems to have acted as a kind of editor.

In fact, "Wild Darkness" is arguably the most chiseled and potent of Brodkey's books, combining the lyrical precision of his earliest stories ("First Love and Other Sorrows") with the manic urgency of his later, more self-involved work.

Not surprisingly, the portrait Brodkey draws of himself here is very similar to that of Wiley Silenowicz, the narrator of "The Runaway Soul" — the writer as narcissist and self-mythologizing genius, given to high-decibel (and quite frankly obnoxious) boasts about his work and sexual allure.

In these pages, Brodkey writes of his own "irresistibility," suggesting comparisons with Paul Newman, Marlon Brando, William Holden and even the biblical David. The problem with being irresistible, he complains with a straight face, is that "few people will ever see you without an affronted sense of their own irresistibility and of themselves as objects of competing emotion."

Brodkey seems convinced that this same sort of competitive jealousy accounts for his tribulations in the literary world. His view of humanity is focused, depressingly, on power games and is often cynical to the point of misanthropy: "People pretty much are structured to treat you according to how well you can protect yourself; that is, if you have visibly little strength, you become someone to rob — of dignity, of money or what-have-you. This isn't always conscious. Often, though, it is."

Although these pages make it clear that Brodkey was obsessed with his own reputation (and every minute fluctuation in that reputation), he writes as though these concerns were foisted upon him by the literary community or the world at large.

What's more, he argues that the strain of writing and defending his reputation was so wearying that the thought of death actually came as something of a relief. "It was truly a perceptible relief to be out of their reach," he writes of literary taste-makers, "and into another sort of experience, even if it was terminal. It was a relief to have the future not be my speculative responsibility anymore and to escape from games of superiority and inferiority."

Michiko Kakutani is on the staff of The New York Times.

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GRINGOS: *Mexican Food, American-Style*

Continued from Page 1

stepping in, they make the earth move."

All this activity is coming as sales of Mexican food in the United States have cooled a bit, up 3.3 percent in 1996, compared with a 7.1 percent increase in 1995, according to A.C. Nielsen Co.

Still, the Mexican category "looks really, really good, in an industry where, say, mayonnaise is down 1 percent," said John McMillin, an analyst for Prudential Securities Research.

Indeed, total growth in the U.S. food industry last year was only 1.5 percent, according to Nielsen. And the Mexican category, especially salsa, "offers manufacturers some of the highest margins of all food products," said Terry Bivens, an analyst for Donald & Co.

Because of the low cost of raw materials, the profit on a $2.59 jar of Pace salsa, for example, is more than 30 percent — higher than for colas, many cigarettes, chocolate and coffee.

The Mexican category is dominated by salsa, a sauce loaded with diced tomatoes primarily designed for dipping. Salsa passed ketchup in 1991 in U.S. sales, but demand is off from the torrid double-digit growth of recent years, "because a saturation point has been reached," said Murray Kessler, vice president for sales and marketing at Pace, which Campbell bought in 1994 and which is the biggest seller of salsa.

Mr. Kessler expects new growth will come from picante sauce, a jalapeno pepper-and-onion mixture used as a condiment on everything from eggs to enchiladas. Long a staple in the Southwest, picante products from Pace and its competitors are starting to catch on elsewhere in the United States.

With so much on the line, the competition on all fronts has been heating up. For example, Kraft Foods bought the right to use the name of the Taco Bell Mexican fast-food chain on its supermarket products. In only three years, Tostitos salsa, made by the world's largest snack maker, PepsiCo's Frito-Lay unit, has "gone from zero to become a gorilla in this category," Mr. McMillin of Prudential Securities said.

Sales of the Tostitos salsa came to more than $200 million in 1996, a 30 percent increase from 1995.

It took decades for the corporate giants to scent profit in Mexican food. For many years, large regional companies such as Pace and Pet Inc., former owner of Old El Paso, struggled to gain a hold on grocery-store shelves, while small specialty suppliers pioneered the high-end salsa market in gourmet markets and department-store food boutiques.

In the mid-1980s, several books were important in popularizing Santa Fe chic. Before long, the chicken fajita became a trendy menu staple. By 1990, Mexican products exploded in popularity, a boom that the big companies capitalized on three years ago by starting to buy such producers as Pace and Old El Paso.

About the only thing missing from the boom is Mexicans, who have less and less to do with defining the world's taste for their native food. There are no Mexicans on Pillsbury's 20-person Old El Paso development team; its leader was born in India. Pillsbury's Las Palmas food line, which is primarily marketed to Hispanic people, does have a Hispanic manager, however.

To many Mexican-Americans, the U.S. companies' brands are inauthentic.

"Old El Paso is too Americanized, it's not for Mexicans," said Tomas Silva, owner of El Cafe, a 35-table restaurant in St. Paul.

Meanwhile, the authentic Mexico-based food companies do not have the marketing strength to compete with the giants, analysts said.

Mobutu Undergoes A Minor Operation

The Associated Press

MONACO — President Mobutu Sese Seko of Zaire, who has prostate cancer, underwent minor surgery Friday at a Monaco hospital, members of his entourage said.

Mr. Mobutu, 66, returned Thursday to his French Riviera villa following a three-and-a-half week visit to Zaire, which is in the midst of a rebel uprising.

He was admitted to Princess Grace Hospital on Friday morning and underwent a "small surgical intervention," according to a member of his entourage. He is expected to remain hospitalized for several days, the source said.

Milosevic Faces a Barrage of Pressure in Showdown

By Michael Dobbs
Washington Post Service

BELGRADE — Pressure mounted on President Slobodan Milosevic from both home and abroad on Friday to concede the demands of protesters who have accused his governing Socialist Party of stealing local elections in Belgrade and other Serbian cities.

There were chants of "U.S.A.! U.S.A.!" at the rally Friday afternoon in the center of Belgrade as opposition leaders were joined by a fact-finding delegation of six American congressmen led by Bruce Vento, Democrat of Minnesota. The European Union earlier called on Mr. Milosevic to accept opposition victories in the Nov. 17 election to avoid international isolation.

Thousands of students, meanwhile, won a daylong standoff with riot policemen who had been preventing them from marching on a central Belgrade thoroughfare. The policemen finally withdrew from the streets shortly after 3 A.M. and let the students pass, but reappeared Friday afternoon.

With the protests now in their eighth week, Mr. Milosevic's position appeared to be increasingly isolated, and there were reports of high-level meetings to attempt to resolve the political crisis caused by his annulling of the election results.

On Wednesday, the Serbian government made a significant concession by acknowledging an opposition victory in the southern city of Nis, but this has not been enough to end the protests.

Many leading Serbian institutions such as the Orthodox Church and the Academy of Sciences, once strong supporters of Mr. Milosevic's, are now calling on him to take decisive steps to reach an accord with the opposition. Other institutions, such as the army, have taken a neutral position.

Economic pressure is also growing on the Serbian president, the only surviving Communist Party leader in Eastern Europe. Over the last few weeks, the Yugoslav dinar has fallen 20 percent on the black market following the government's decision to pay back salaries for the 80,000-strong police force, a key element of Mr. Milosevic's strength, and guarantee jobs for workers in big factories.

Mr. Milosevic is also under pressure from Serbian business interests worried about endless delays in reintegrating the country's economy with the rest of the world. One very influential ally-turned-critic is Bogoljub Karic, a banker and media magnate reputed to be one of Serbia's richest men. In a rare interview with a Western newspaper, he described Mr. Milosevic's handling of the crisis as "stupid" and "counterproductive."

"It is not the opposition that is tarnishing the image of the regime," he said. "The regime is doing it to itself."

Mr. Karic's willingness to speak out against the government is significant because he is still on friendly terms with the Serbian president and his politically powerful wife, Mirjana Markovic, and has refrained from criticizing them in the past.

He predicted that Mr. Milosevic would end up recognizing the other opposition election victories and opening up the mass media, but expressed regret that it had taken so long.

The U.S. congressional delegation was allowed to remain in Belgrade only for a few hours en route to Montenegro, the other republic in the rump Yugoslavia, whose leaders have distanced themselves from Mr. Milosevic. But that was time enough for the congressmen to meet with opposition leaders and hear the furious noisemaking that takes place every evening at 7:30 when Belgrade residents try to "drown out" the evening news on state-run television to protest coverage they see as biased.

"People here have high hopes for the United States," said Mr. Vento, who expressed American support for the democracy movement. He said that he later had an "intense discussion" with Foreign Minister Milan Milutinovic of Yugoslavia, who reiterated the government stance that the protesters represented only a small minority of the population.

Serbian riot policemen forming a cordon in a main Belgrade thoroughfare Friday, as pressure mounted on President Slobodan Milosevic.

BRIEFLY ASIA

Leftists Kill 16 Police in India

HYDERABAD, India — Leftist extremists killed 16 police officers Friday in an attack on a remote police station in southern India, prompting calls for a crackdown on an outlawed Maoist group.

Some 60 members of the People's War Group surrounded Karakagudem village in Andhra Pradesh state at about 1:30 A.M., the police in Hyderabad, the state capital, said.

Two groups of guerrillas raided the police station and exchanged gunfire with police for more than half an hour, said the Andhra Pradesh interior minister, A. Madhav Reddy. The insurgents then attacked the station with bombs, killing all 16 police officers inside. *(Reuters)*

Sri Lankan Army 'Mopping Up'

COLOMBO — Sporadic fighting continued in the northern Sri Lankan town of Paranthan on Friday, a day after government forces repelled a major attack by separatist Tamil rebels, military officials said.

Sri Lankan security forces were consolidating their position after the rebels overran parts of the town's defenses Thursday in fierce fighting that left more than 500 guerrillas dead or wounded, the Defense Ministry said.

"Forces are mopping up the last of the resistance," an army official in Colombo said. The bodies of 60 government soldiers had been recovered by Thursday night, the ministry said. *(Reuters)*

Pakistan Toxic Gas Toll at 32

LAHORE, Pakistan — The death toll from a toxic gas leak here rose to 32 Friday after two more people died in the hospital, doctors said.

They said 90 people were still in the hospital, of whom 18 were in critical condition. More than 900 people were treated in hospitals after the gas leak in the populous Mughalpura district of the Punjab provincial capital on Wednesday night. The gas was identified by officials as chlorine rather than ammonia, as first thought. *(Reuters)*

China-Taiwan Shipping Talks

TAIPEI — China and Taiwan plan to meet later this month to discuss opening direct shipping links, the Transport Ministry announced Friday.

The two will meet in Hong Kong on Jan. 22 to talk about establishing links between the southern Chinese ports of Fuzhou and Xiamen, and an offshore transshipment center in Taiwan's southern Kaoshiung port, Transport Minister Tsay Jaw-yang said. *(AP)*

Growth Curb On the Pols?

Reuters

NEW DELHI — The Indian government, facing international concern over population growth, will seek to bar politicians with more than two children from running for office, the Press Trust of India said Friday.

The agency quoted the junior health and family welfare minister, Saleem Shervani, as saying that the government would make "concrete efforts" to ensure passage of a bill to this effect during the February session of Parliament. India's population is estimated at about 950 million.

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Seoul Acts to Arrest Strike Leaders, Who Vow to Resist

By Kevin Sullivan
Washington Post Service

SEOUL — The South Korean government issued arrest warrants for leaders of a 16-day strike Friday and an auto worker at a Hyundai Motors plant set himself ablaze in a clash with riot policemen.

A judge in Seoul issued the arrest warrants after union leaders ignored three court orders this week to appear for questioning.

The seven union leaders, who represent at least 500,000 South Korean workers, are camped out in tents on the grounds of Myongdong Cathedral in Seoul, a symbolic center of opposition protests in South Korea.

The leaders, who refused to accept a court summons from authorities backed up by hundreds of riot policemen, said they expected to be arrested but vowed to make the police take them by force.

"From the beginning, we expected some people would be arrested and imprisoned, so we are prepared," Kwon Young Kil, the top strike leader, said in an interview at the cathedral. "We only hope that the government does not make the miscalculation of thinking they can stop this strike with their repressive measures."

"If a large number of people are arrested, it will only add fuel to our anger and the strikes will be intensified," said Mr. Kwon, 55, a former Paris correspondent for a Seoul newspaper. "I believe my arrest will be an opportunity for the trade union movement and for progress toward social change in Korea."

While he spoke Thursday, wearing a "Down with President Kim Young Sam" headband, riot policemen carrying shields, batons and tear-gas guns were massing just down the road in Myongdong, one of Seoul's most fashionable shopping districts.

As darkness fell, dozens of strike supporters, mostly men and women in their 20s, waved banners and chanted slogans in the narrow streets of Myongdong.

Riot policemen, many of them wearing gas masks, moved in, chasing the protesters down alleys, firing tear-gas canisters and snapping in half the flagpoles carrying strike banners that were dropped by the fleeing demonstrators.

No injuries were reported, but a worker who set himself afire at a Hyundai plant in Ulsan, southeast of Seoul, was listed in critical condition Friday.

Three other workers were also injured, the first serious casualties since the strikes began Dec. 26.

Mr. Kwon's Korean Confederation of Trade Unions, an umbrella group that is technically illegal but still recognized by thousands of workers, will bring public sector workers, including subway drivers, into the stoppages if the government arrests leaders and refuses to reverse laws that sparked the strike.

Union officials said that about 200,000 workers continued the strike Friday, while the government placed the number at about 56,000. They are protesting labor laws adopted by the National Assembly on Dec. 26 in a session at which only members of Mr. Kim's New Korea Party were present.

The laws allow companies to lay off workers, set more-flexible working hours and hire temporary workers and replacements for striking workers — virtually dismantling the lifetime employment system.

Mr. Kim says those laws are needed to bring the country in line with the labor practices of the rest of the industrialized world; the strikers say the law is "evil" and unfairly harms them.

Mr. Kwon said the president was "more or less lying" when he asserted that South Korea's laws would be like those of other advanced countries if the new changes were accepted.

South Korea has limited unemployment benefits for workers, Mr. Kwon said, so those who are laid off do not have the same welfare safety net as workers in other countries.

In an interview, a senior official in Mr. Kim's government said that the president understood that the arrests would exacerbate criticism that the government is forcing its will on workers.

"That is our burden," the official said. "But the government has drawn a line, the dice have been cast and there is no turning back. We are resolute."

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6 Nicaragua Troops Die In Preinagural Ambush

The Associated Press

MANAGUA — Six soldiers died in an ambush in northern Nicaragua, overshadowing preparations for the inauguration of a new president Friday.

The conservative president-elect, Arnoldo Aleman, faces opposition from leftist Sandinistas, who warned Thursday that violence could break out if he continued to press a conservative agenda.

The ambush took place late Thursday in La Paila, a town 230 kilometers (145 miles) northeast of Managua. Few details were available.

Hundreds of former contra rebels, former Sandinista troops and common criminals are believed to be armed and operating in the area.

The government has offered amnesty for former combatants who rearmed after the end of the civil war in the early 1990s, but it has warned that it will treat as criminals those who refuse to lay down their arms.

As Nicaragua's new legislature convened Thursday, the Sandinista leader, Daniel Ortega Saavedra, warned that violence could break out if the new government continued the policies of President Violeta Barrios de Chamorro, whose election victory in 1990 ended a decade of Sandinista rule.

Liggett Is Set to Break Ranks Again

By John Schwartz
Washington Post Service

WASHINGTON — For the second time, Liggett Group Inc. is considering breaking with the rest of the tobacco industry by agreeing to settle lawsuits pending against it — this time by offering to turn over sensitive industry documents.

Liggett, controlled by the financier Bennett LeBow through his Brooke Group Inc., has discussed the offer with representatives of attorneys general around the country who are suing tobacco companies, mainly to recover millions of dollars of government Medicaid funds spent to treat smokers.

Although Liggett is one of the smaller tobacco companies within the $45 billion industry, it possesses documents that could provide opponents with a damaging window into the workings of the entire industry — especially documents from the decades-old "committee of counsel," a group made up of top attorneys from the major tobacco companies that meets regularly.

Sources familiar with the negotiations said Thursday that it was unclear whether the talks would continue, especially since they have became public in published and television reports.

In March 1996, Liggett rocked the industry when it announced a settlement with five states and with attorneys mounting a large class-action lawsuit against tobacco companies in New Orleans. Not all attorneys general signed on to that deal, however, and others have filed suit since. The new offer is seen as an attempt to broaden the previous settlement.

Mr. LeBow's organization would not comment on the negotiations.

Other tobacco companies have pledged to block any attempts by Liggett to release information about the industry. Philip Morris Cos. said in a statement that it "would resist any effort by Liggett to disclose documents involving legally privileged discussion shared with others in the industry."

"Liggett has no right to turn over notes that reflect legal discussions at a joint meeting without the consent of all involved parties," Philip Morris said. "Once again, we hear of a Liggett 'settlement.'"

Mr. LeBow's prior attempt at a settlement "turned out to be little more than a marriage of convenience" between Mr. LeBow and the attorneys general in the former's efforts to take over the No. 2 U.S. tobacco company, R.J. Reynolds, Philip Morris added. That takeover attempt failed at the company's annual meeting in April 1996.

R.J. Reynolds issued a similar statement about what it called the "illusory settlement" . . . that was "nothing more than a PR ploy." Neither company would comment beyond their prepared statements.

One of the leading attorneys general suing the industry, Hubert H. Humphrey 3d of Minnesota, said he was "open to a principled settlement."

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Japan Tries to Fence Off Slicks as Oil Nears Nuclear Plants

The Associated Press

MIKUNI, Japan — The Japanese Coast Guard on Friday began laying a boom around parts of a large oil spill to prevent it from reaching nuclear power plants on the coast.

The oil spill has tainted a 200-kilometer (125-mile) stretch of Japan's western coast. At Mikuni, the worst-hit village, 150 soldiers joined 1,000 local fishermen and volunteers Friday to shovel the muck from an oil-fouled beach for a third day.

Workers also have been sucking the sludge up with pipes hooked to a truck and have been spraying chemicals to disperse the slick.

Coast Guard officials said parts of the 23,000-barrel slick from a shattered Russian tanker washed ashore Friday in Tottori Prefecture, bringing to five the number of states affected so far by the spill.

Near the entrance to Wakasu Bay, which is ringed by nuclear power plants, eight Coast Guard ships and about 40 fishing vessels began putting up the boom to contain patches of oil that are spread out for 11 kilometers, said Hisao Nishiyama, an official of the Japanese Coast Guard.

Fishermen say stocks of seaweed and shellfish have already been destroyed.

The nuclear plants, which use large amounts of seawater for cooling, could be damaged if the oil slick gets too close.

At a beach in Kyoto Prefecture, volunteers found the bodies of three oil-muddied waterbirds Thursday, according to Kei Sasa, a prefectural official. Birds that are sullied with oil usually drown because they can no longer float.

"What we are also afraid of is that more birds will die from organ damage if they preen the oil off their feathers with their beaks," Mr. Sasa said. "There's no way we can save them."

The Russian tanker Nakhodka split in two on Jan. 2 about 150 kilometers off the coast. The front half drifted and ran aground Tuesday off the beach at Mikuni, a picturesque village 320 kilometers west of Tokyo.

Fishermen say the oil has already destroyed plentiful stocks of seaweed and shellfish along the coast. The effect on crab and fish in deeper waters is still uncertain, but tourism, another major source of livelihood for this region, will also probably suffer.

In Moscow on Friday, the federal transport prosecutor's office opened a criminal investigation into the tanker accident and the spill.

Japan had called on Russia to investigate the accident and to take steps to prevent a recurrence. The message was delivered to the Russian government by the Japanese ambassador to Moscow, Takehiro Togo, on Thursday night.

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Korean Promises

The rising tension between South Korea's government and its labor unions represents more than a domestic dispute over how to shape that nation's growing economy. South Korea's fidelity to its international obligations is also in question. As various international organizations search for the best way to integrate transitional economies — *China's as well as South* Korea's — the current episode may serve as a cautionary tale.

The trouble began the day after Christmas, when congressmen belonging to President Kim Young Sam's ruling party gathered secretly at 6 A.M. and, in six minutes and without debate, adopted sweeping new labor laws. At the same time, with opposition legislators nowhere in sight, the furtive majority reinstated many powers of the internal security agency, an odious symbol *of South Korea's earlier dictatorship* whose wings President Kim himself had clipped when he was first elected president.

Mr. Kim subsequently explained that the new labor legislation merely brought South Korea's laws into line with other developed countries and that the explosion of worker discontent reflected a "big misunderstanding." It is true that the way the legislation was passed put the labor laws in the worst possible light. It may also be true that *South Korea needed to limit workers'* rights in some ways in order to remain globally competitive.

But that's not the whole story. Last *fall, after a long campaign, South* Korea won admission to the club of developed nations, the Organization for Economic Cooperation and Development. In return, South Korea promised to bring some of its laws into line with the organization's standards. That meant, in particular, liberalizing its financial markets to ease foreign *investment and changing its labor laws* to guarantee the fundamental right of association to *South Korea's workers.*

The labor legislation approved Dec. 26 went back on that pledge. It gave employers what they wanted, the right to lay off workers and hire replacement workers during strikes, but it did not legalize multiple unions, as South Korea had pledged. That means that, as during South Korea's dictatorship days, only one official (and usually compliant) labor federation is allowed. The *OECD's union advisory committee* condemned the moves, but with South *Korea already a member, it's not clear* what the organization can do beyond complain.

A similar debate is now taking place over China's entry into the World Trade Organization. China wants to be admitted now and dismantle its trade barriers later. Others argue that China should have to comply with the trade group's standards as a condition of admission. Once it's in, the argument goes, *others will lose much of their* leverage. The South Korean example is persuasive.

— THE WASHINGTON POST.

Don't Isolate Cuba

Now that the campaign season is over, Washington has a chance to put *its Cuba policy on a sane course that* might encourage moves to democracy on the island. *But neither* Congress nor President Bill Clinton seems inclined to try anything more creative than the isolation strategy that over nearly four decades has failed to budge Fidel Castro from his autocratic ways.

If anything, American policy has regressed in the last year, propelled by Cuba's unprovoked attack on two civilian planes over *international waters* last February. The incident led Mr. Clinton, already concerned about offending Cuban-American voters in Florida and New Jersey, to sign the ill-conceived Helms-Burton law that left Washington almost no flexibility in its handling of Castro.

Mr. Clinton has neutralized one of *the most impractical parts of the law,* twice waiving a provision that invites lawsuits against any company using Cuban property that once belonged to people who are now citizens of the United States, including the many Cubans who have migrated to this country since Fidel Castro's 1959 revolution.

Numerous countries have forbidden *their companies to pay any claims* under this provision, and its enforcement would guarantee bitter conflict with America's closest allies. The president's use of his waiver power under the law, most recently invoked last week, was appropriate and commendable, but other rigid restrictions remain intact.

*Beside trespassing on the sover*eignty of other countries, the law undermines Washington's ability to encourage democracy. It does so by taking away the president's authority to loosen or tighten the U.S. economic embargo of Cuba in response to policy changes by Havana.

What hope now exists for expanding *liberty in Cuba and preparing the tran*sition to a post-Castro era lies in the constructive use of international economic and commercial leverage, not in trying to bludgeon the rest of the world into joining America's lonely and counterproductive economic embargo. Countries and companies should tie their willingness to expand trade and *investment with Cuba to signs of pro*gress on human and political rights.

That is just the approach America's European allies have now begun to take. Mr. Clinton cited Europe's explicit new commitments to link further expansion of its economic and political ties to expanded freedom on the island as justification for again suspending the Helms-Burton penalties. Ideally, America should be following the same sensible approach. It cannot under the Helms-Burton law.

The administration suggests that Europe's new linkage policy comes in response to the threat of Helms-Burton penalties. That case is hard to make. Europe's new emphasis on encouraging freedom in Cuba was initiated by the election of a new conservative gov*ernment in Spain, the country whose* lead Europe traditionally follows on Latin American issues. Spain's new prime minister, José María Aznar, announced his intention to press for democracy in Cuba before the Helms-Burton law became a factor.

Postponing the law's penalties against foreign businesses makes American policy less harmful than it might be. But it scarcely makes the *United States an effective force* for democratic change in Cuba. If Mr. Clinton is unwilling to press for repeal of the Helms-Burton law, he should at least use his executive authority to take what steps he can on immigration and travel issues to encourage the flow of democratic ideas to Cuba.

— THE NEW YORK TIMES.

Other Comment

Tribunal Without Teeth

The great hope of tribunal advocates was that the individualization and decollectivization of guilt — placing responsibility on the leaders and the perpetrators of atrocities, rather than on *whole communities — would help* bring about peace and reconciliation.

Recently, nations worldwide have been more ready to prosecute human rights and humanitarian atrocities, including Ethiopia, Honduras and South Korea, where even former presidents *have been convicted. In South Africa,* prosecutions are under way against persons who did not cooperate fully with the truth commission by coming forward, reporting the entire truth and seeking amnesty. It is not absurd to suggest that in a few years Belgrade, Zagreb or even Pale might have more responsible leaders and more credible criminal *justice systems, and might be ready to* prosecute before their courts some of *those indicted by the tribunal.* The prosecution could aid such efforts by preparing a report on the historical record analogous to the report of a truth commission.

Despite the difficulties the Yugoslav tribunal has encountered, it *may be necessary to follow the same or* a similar model in the future. But from *now on, international criminal* tribunals must be more effectively supported by police power. Just as there can be no national justice without a police force, there can be no effective international justice without arrests, subpoenas, investigations and a reliable enforcement mechanism. The international community's inability to create such a mechanism, whether for ad hoc criminal tribunals or for the *proposed international criminal court,* threatens all efforts to create a system of international criminal justice.

— Theodore Meron in Foreign Affairs (New York).

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The Foolish, and Costly, Defense Merger Mania

By Ann Markusen

NEW YORK —Baffled by the rash of shotgun marriages between major defense contractors?

First Martin-Marietta bought General Electric's defense electronics unit, *then* Lockheed bought Martin and mated with Loral. Northrop took over Grumman. General Dynamics sold off divisions to Hughes and McDonnell Douglas and snapped up Bath Iron Works. Boeing bought Rockwell's defense unit and now proposes to buy McDonnell Douglas. A Hughes divorce from General Motors is in the offing, and Texas Instruments has succumbed to Wall Street pressure to put its defense operations on the block. Speculation is that Raytheon and TRW are not far behind.

Why are all these mergers happening? The answer lies in the Pentagon's new permissiveness toward mergers, coupled with a novel and insidious practice of reimbursing defense companies for the costs of consolidation on the specious ground of saving Americans money. Lockheed Martin *requested $1.7 billion in such pay*ments, and a Boeing-McDonnell *Douglas is sure to apply for a good* chunk.

What can be included in these costs? Golden parachutes for "displaced" executives. Severance pay for workers (but not retraining for new civilian jobs within the company). Legal costs for fighting employee breach-of-contract suits or for contesting local property-tax obligations after mergers render factories less valuable.

To be reimbursed, a company need only make a plausible case that closings *and layoffs should bring savings on* existing long-term contracts. Pentagon auditors must certify that the numbers look good to them. But companies will never have to document that such savings actually materialized.

It's a great deal for the companies, which are permitted to charge the government more up front on current contracts. *But studies of a number of these* mergers, the General Accounting Office found, showed real savings to be less than 50 percent of those promised — and most are a poor 10 percent to 20 percent of initial company estimates. By then, taxpayer reimbursements have long been pocketed, and the mergers are irrevocable.

Pentagon reimbursements are credited on Wall Street with producing remarkably high profits and high price-to-earnings ratios for big defense *companies even as procurement spend*ing has fallen nearly 70 percent.

The reimbursement policy has pernicious consequences. For one, it encourages companies to "outsource"— to lay off their own well-paid workers and play off subcontractors that in turn put the squeeze on their own, often nonunion, workers. The "costs" of outsourcing (that is, worker severance pay) are eligible for reimbursement.

For another, it discourages defense contractor from diversifying into civilian markets. A company cannot be reimbursed for the costs of moving, say, space engineers into work on con*sumer products,* as TRW did with airbags, or Raytheon did with microwaves. But they *can be reimbursed* for closing the same factory and firing employees.

Research shows that those companies vigorously pursuing civilian alternatives — TRW, Hughes, Rockwell and Raytheon — are reinvesting higher shares of their revenues in research and development than are "pure play" de*fense giants like Lockheed Martin* and Northrop Grumman. Surprisingly, they have also done as *well or better in terms* of profit.

But all have been under Wall Street pressure to divest themselves of their military divisions. Why? Because billions can be made off Pentagon reimbursements. And because Wall Street would rather see the market reallocate resources, especially the cash *accumulated during the 1980s buildup,* than permit companies to do so internally.

Payoffs for layoffs, as they have been dubbed by critics, are particularly repugnant because they undermine the "dual use" policy pursued by the Clinton administration. By integrating civilian and military industrial activity, the Pentagon hopes to take down the historic wall of separation between the two, thereby lowering costs, giving the military access to advanced civilian technologies, especially in electronics and computing, and reducing political pressures to keep defense plants open with contracts for unneeded weaponry. The spate of divorces of defense from commercial divisions among mid-sized defense contractors is a major setback for *dual use policy.*

The Pentagon should say "no" to the Boeing-McDonnell Douglas merger, which removes a competitor from future fighter-craft competitions. A thorough study of the longer-term consequences for national defense should be conducted to determine how many "lines" the Pentagon can support for *each major weapons system.* Simultaneously, the United States should more vigorously pursue *cooperation in* arms industry restructuring with its allies, particularly the Europeans who find themselves in the same boat.

Finally, the Congress should reject further Defense Department reimbursements for defense merger costs. The failure of savings to approach anything near claims is a scandal in the *making.*

The writer, a senior fellow at the Council on Foreign Relations and a professor at Rutgers University in New Jersey, contributed this comment to the International Herald Tribune.

For a Long-Term Peace, Peru Should Talk to Its Guerrillas

By Gustavo Gorriti

LIMA — As hostage-taking incidents go, the takeover of the Japanese ambassador's residence here has been very unorthodox. So perhaps the Peruvian government should *pursue an unorthodox resolu*tion and agree to enter into long-term peace negotiations with the terrorists.

Some of Lima's most prominent and well-connected residents turned out at an embassy party on Dec. 17 to celebrate Emperor Akihito's birthday. This energetic flocking, which a few years ago would have *occurred only at the American* Embassy's Fourth of July reception, was a tribute to Japan's new status as the most important foreign power in Peru.

So it was clearly more than shock over the tactical virtuosity of the Tupac Amaru rebels' raid on the embassy *compound that caused* President Alberto Fujimori's virtual paralysis for days afterward.

For him, the commando attack into the very heart of the new establishment was like a horror film — Carrie's arm shooting from the grave and grabbing his government's neck. After all, his government had declared the Tupac Amaru movement dead.

But Mr. Fujimori's authoritarian counterinsurgency, fun*damentally inimical to demo*cracy, has been more about propaganda than facts.

The president himself apparently believed his own rhetoric. A few weeks before the raid, he said that defeating the insurgents had been *papayita* — Peruvian Spanish for "a piece of cake" — easier, he said, than divorcing his wife.

In reality, the small squads of police detectives that crippled the Shining Path and Tupac Amaru guerrillas from 1989 to 1992 were dissolved after the arrest of the Shining Path's leader, Abimael Guzman, in 1992. The *intelligence service* has become a bloated bureaucracy primarily interested in harassing the legitimate opposition.

Meanwhile, the Tupac Amaru cadres were quietly assembling weapons and fighters.

After the takeover of the compound, Peru and the world braced for the nightmarish script when hostages are taken — ultimatums, shifting deadlines and violence to increase the pressure of armed extortion.

But so far nothing of the sort has happened. When the guerrillas released hostages by the dozens, many in the government and the press thought they were simply solving logistical problems. But if so, why were *senior American diplomats* released days before the Honduran ambassador was?

Many freed hostages, including some Americans, offered positive reports about their captors. They spoke of the intense debates on economic policies and other issues that *had taken place between the* rebel leader, Nestor Cerpa Cartolini, and some captives.

It is still, of course, an explosive situation, but the intellectual exchanges have had a stabilizing effect.

Mr. Cerpa, a former factory worker, has been having long discussions with one hostage in particular, Peru's foreign minister, Francisco Tudela. Within a few days of the attack, the rebels shifted their emphasis from the initial demand of freedom for their comrades in pris*ons to a somewhat vague pro*posal for a peace accord.

Mr. Cerpa emphasized his new position by freeing the Guatemalan ambassador the day before that country signed an accord that ended a decades-long civil war.

Would it be worthwhile for *Peru to consider negotiating* a broader peace with the guerrillas? Undoubtedly.

Of course, one should be skeptical of the rebels' current bean-geste approach, given their history of terrorism. But the group has never been as ruthless as the Shining Path. In *the past, it looked for openings* to talk with the government, following the lead of other Latin America guerrillas. But the Fujimori regime rejected such entreaties out of hand.

Elsewhere in Latin America, even imperfect accords between authoritarian governments and guerrillas have been infinitely better than the wars they resolved.

Negotiating the details of any accord shouldn't begin until the hostages are freed. But their liberation would probably entail a *good-faith promise to begin* talks soon.

The government could offer safe passage for the rebels in the compound, improvements in appalling prison conditions and establishment of legal due process. In the longer term, a cease-fire might mean an amnesty for *imprisoned* Tupac Amaru rebels.

Negotiations would certainly not be papayita. But an armed assault, even a "successful" one with a low number of hostage casualties, would probably strengthen the guerrilla movement and would likely lead to *greater bloodshed in the fu*ture.

The writer is a Peruvian journalist who is the associate director of La Prensa in Panama. He contributed this comment to The New York Times.

Dutch Demonstrate the Slippery Slope of Doctor-Aided Suicide

By Charles Krauthammer

WASHINGTON — In 1991 in the Dutch city of Assen, a perfectly healthy 50-year-old woman asked her doc*tor to help her die. Her two sons* had died, one by suicide, one by cancer. She wanted to join them. After many hours of consultation, Dr. Boudewijn Chabot consented. He was at her side when she swallowed the lethal pills he prescribed for her death.

*In the Netherlands, doctor-*assisted suicide is for all practical purposes legal, but Dr. Chabot was tried anyway because this woman wasn't ter*minally ill. She wasn't even ill.* In fact, she wasn't even psychiatrically ill, a point that at trial Dr. Chabot made in his own defense. She was as lucid as she was inconsolable.

The three-judge court in Assen acquitted Dr. Chabot. So did an appeals court. So did the *Dutch Supreme Court. Thus,* notes Dr. Herbert Hendin (in his study of euthanasia in Holland, "Seduced by Death: Doctors, Patients and the Dutch Cure"), *has the Netherlands* "established mental suffering as a basis for euthanasia."

On Wednesday the U.S. Supreme Court was asked to decide whether doctors-assisted suicide should be legal in America, as in the Netherlands. The two cases before the court *both involve the terminally ill.* But the deployment of these heart-rending cases of terminal illness is part of the cunning of the euthanasia advocates. They are pulling heart strings to get us to open the door. And once the *door opens, it opens to every*one, terminally ill or not.

How do we know? Justice David Souter asked that question in one form or another at least four times: Once you start by allowing euthanasia for the terminally ill, what evidence is there that abuses will follow?

The answer is provided by the Netherlands. I'm not even talking here about the thousand cases a year of Dutch patients put to death by their doctors without their consent. (Most, by the way, are killed not for reasons of pain, but, as the doctors put it, for "low quality of life" or because "all treatment was withdrawn but the patient did not die.") I'm talking here about Dutch doctors helping the suicide of people not terminally ill, not chronically ill, not ill at all, but, like our lady of Assen, merely bereft.

By what logical principle *should the relief of death be* granted only the terminally ill? After all, the terminally ill face only a brief period of suffering. The chronically ill, or the healthy but bereft — they face a lifetime of agony. Why deny them the relief of a humane exit?

*The litigants before the Su*preme Court, however, claimed the right to assisted suicide on the grounds not of mercy but of liberty — the autonomy of individuals to determine when and how they will die.

But on what logical grounds can this autonomy be reserved only for the terminally ill? Wednesday at the court, the lawyers for the euthanasia side, Kathryn Tucker and Laurence Tribe, turned somersaults trying to answer the question.

But they had no answer be*cause there is no answer. If as*sisted suicide is a right for the terminally ill, there is no argument that can be made to deny it to anyone else who might request it.

That *is why the Supreme* Court decision *in these two* cases will be so fateful. They *could be the beginning of* something much larger: nothing *less than legitimation* — through the legally blessed participation of the medical profession — of suicide.

The Washington Post.

The Elite Have to Take the Heat

By A. M. Rosenthal

NEW YORK — In the mail comes an invitation to a conference sponsored by the Council on Foreign Relations. In news stories, the council's name is usually preceded by "prestigious," "elite" or "influential," and all three are correct.

The title of the two-day conference, in April, is "From Bicycles to Beepers: The Politics and Economics of Business in China."

Seminars and workshops will be held on opportunities for investment in the provinces, the future of U.S.-Chinese relations, taxes and accounting, and such specified targeted investment subjects as banking, securities, computers, telecommunications, power and energy, "joint ventures and strategic alliances," and textiles and manufacturing.

Two things about the meeting trouble me. One is in the list of subjects. A few are broad but most seem remarkably like how-to courses. As a member, I do not think it befits the council to help investment in the world's most brutal and dangerous dictatorship.

The second is not on the agenda. When I asked who was paying for the conference, the answer came that much of the money is from American businesses operating in China.

Well, sir, I said, this strikes me as a conflict of interest — taking money to hold a conference on China trade from companies already in business there and hardly likely to raise such questions as government blackmail, official corruption, *slave labor, religious* persecution, and other matters that might be of interest to Americans contemplating investment in China.

I was told the council would not allow company support to dictate the discussion. Also: If the corporations had not come through, the council could not have afforded the meeting.

I have been a member of the council for 34 years, one of 3,265 other prestigious, elite and influential Americans, among them foreign-affairs specialists, businessmen, former government officials and journalists. Meetings usually are held under the rule that what is said cannot be attributed to anybody.

Now, nobody worth listening to is fool enough to tell a chamber full of people any great secret. But often I profited intellectually from the speakers and discussion.

Still, the rationalization for taking money from China-trade companies is the same dreary excuse that journalists, politicians and academics give when they let money create the reality or appearance of conflict of interest. Listen, it won't influence me and I need the money for the good of my work.

The International Herald Tribune goes further. It holds conferences on doing business in China with financial help from *companies in the trade* — and also lists China' State *Commission for Reconstruct*ing Economic Systems as coconvener. I doubt the two newspapers that own the IHT would do that themselves — The Washington Post and The New York Times.

Why pick on the council or the IHT when so many think tanks take *money from found*ations that try to influence their agenda or from companies that have commercial interest in what is studied?

Reminds me of when the writer Nick Pileggi called me years ago to say that The New York Times was taking *dozens of free baseball tickets* every day and, for an article he was doing, why. I said it was impossible. But the sports editor delightedly told me it was true. He gave them to the printers to get sports copy *moved fast.*

We stopped it that day. But I grumbled to my colleagues that somebody was always picking on The New York Times. Then I *reminded my*self of the reason and I did not feel bad at all. We are prestigious, elite and influential, that's why.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Historic Treaty

WASHINGTON — The General Arbitration Treaty with England signed by the British Ambassador and the Secretary of State contemplates two arbitration tribunals, one for the settlement of pecuniary claims, and the other for the adjudic*ation of territorial claims.* President Cleveland welcomed this experiment "initiated by kindred people joined by the same tongue, common tradition and institutions" and aimed at substituting civilized methods for brute force to settle international questions of right.

1922: Griffith Voted In

DUBLIN — Dail Eireann has elected Mr. Arthur Griffith as the new President of the Irish Republic in succession to Mr. De Valera. With a Cabinet of his own choosing, he is now free to proceed to the establishment of the Free State provided for in the treaty he negotiated with Mr. Lloyd George and to submit the completed project to the Irish people and let them choose between it and the Republic to which the De Valerists gave such fanatical service.

1947: Young Offenders

VIENNA — The increase of juvenile delinquency in Austria is considered proportionately the highest in Europe. The causes, besides the dislocation of war, are basically the Nazi destruction of moral values, including the sanction of acts of terrorism and the bearing of children out of wedlock. The most troublesome group are the "Schlurfs," youngsters who took the places of older siblings called up for war service. Then ranging in age from twelve to sixteen, they smoked and played, avoided work and school, and relied on crooked deals to get along.

Britain's Imperiled Heritage

Show Underscores Fragile State of Artistic Legacy

International Herald Tribune

LONDON — Rarely did an art show as modest in its presentation as "Treasures for Everyone," on view at Christie's until Jan. 26, raise such fundamental issues regarding the artistic heritage of the Old World. Simply put, the central question is whether an ancient nation has the will and the financial means to retain the works of art necessary for the survival of its past and the continuity of its culture.

The 150 or so works of art on view, "saved by the National Art Collections Fund," as the subtitle claims in a 12-page brochure, were bought between 1981 and 1996, all with some financial help from the fund by museums or country houses that could not meet the cost on their own meager resources. The idea of the fund, set up in 1903, ultimately goes back to John Ruskin. In 1857, the art writer declared in a lecture, "there ought to be a great National Society instituted for the purchase of pictures; presenting them to the various galleries in our great cities, and watching there over their safety."

"Crucifixion," attributed to Buoninsegna.

SOUREN MELIKIAN

David Barrie, the Ruskin scholar, former diplomat and director of the fund since 1992, quoted these words in a telephone interview, but refrained from remarking that the present fund is nothing like the mighty organization envisaged by Ruskin. The nonprofit body merely extends a helping hand to institutions strapped for cash if a majority of its 17-member committee expresses a favorable opinion at one of its monthly meetings.

Undoubtedly, its influence must grow as its membership expands — it jumped by 60 percent in the past two years to its current 61,000 members — but it has no policy of its own, nor is it supposed to. Museums are there to act on their own initiative. But what can you buy with meager funds allocated by governments that show less interest in art than any other of the larger European nations? The message delivered by the show is "*precious little.*" Paintings get the lion's share. Yet, the unforgettable masterpieces number four or five at the most.

These include one of the most beautiful Sienese school pictures in the world, an early 14th-century "Crucifixion" that is "attributed" to the great Duccio de Buoninsegna. Unchallenged in the past, its label is now questioned by some. Factual knowledge regarding the identity of early Trecento artists in Siena being what it is, this matters not a whit, except to scholars. The picture, owned since 1863 by the Earls of Crawford, is breathtaking. Curiously, when it came up at Christie's on July 2, 1976, it fetched £1 million.

In 1984, the panel was bought by the Manchester City Art Gallery from the art trade for £1,798,000 to which the National Art Collections Fund contributed £500,000. The market had obviously changed, but, adjusted for inflation, the markup was moderate. This was a huge figure. However, the Crucifixion is one of those very rare works of art that may be argued to be worth anything it takes to get them.

The same applies to one of El Greco's most mysterious paintings, bought in 1989 by the National Galleries of Scotland for £1,269,303 plus an undisclosed amount representing a tax remission. No one has been able to explain the scene convincingly. A wistful baboon observes a woman as she brings a candle without a flame into contact with a bright object, while a man watches her act with an air of absorbed curiosity. It is all seen in chiaroscuro that is closer to early Caravaggism than is usual for El Greco.

MORE recently, in 1993, Jan van de Cappelle's "A Calm," painted in 1654, went to the National Museum of Wales in Cardiff at a cost of £3,850,000. Admirably composed, the painting is monumental and also superbly preserved, if a trifle too labored in the detail of its ships immobilized in a glittering sea. But the picture is an icon of British collecting. In 1769, Johann Zoffany, painting the portrait of Sir Lawrence Dundas, reproduced the seascape hanging in the room. The nation could not afford to let that go.

Nor could it, the British Museum understandably decided, when it came to a "Seraph" and a "Prophet," both painted in 1260 for Henry III on the ceiling of the "Painted Chamber" in Westminster Palace. Soon concealed by overdecoration, they were shielded from an inevitable abrasion process. In 1816, as inscriptions on their 19th-century gilt frames specify, the panels were removed in the course of "repair work," saving them from destruction in the 1834 fire. Their later peregrinations remain unclear. How they ended up in a Bristol house to be discovered by workmen in the course of a "house clearance" and consigned for sale to "Bristol Auction Rooms" is not known. On March 23, 1994, they were knocked down at £120,000 to an agent bidding on behalf first of the British Museum and then of an unnamed "collector" who had given a higher limit.

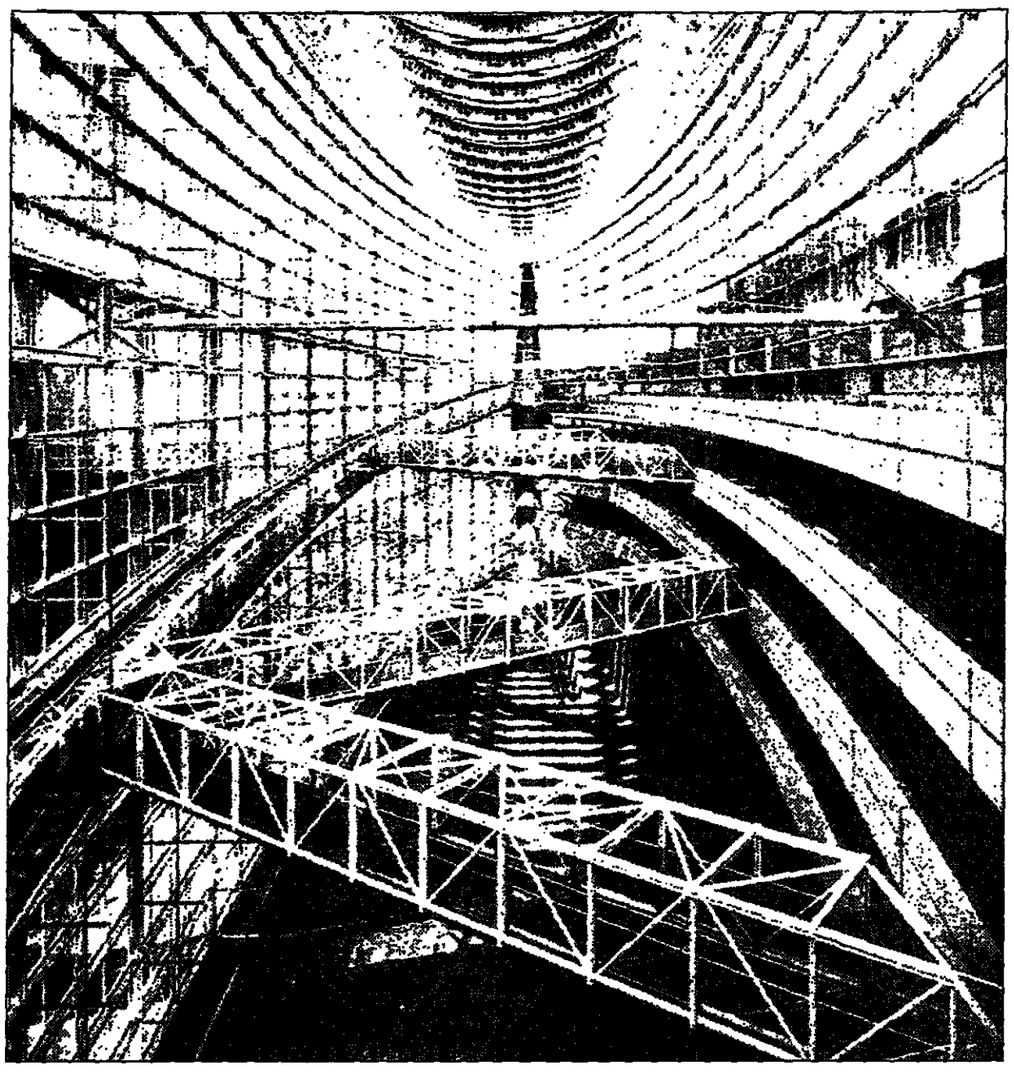
The "collector" must have been fickle in his love of art. Within months the paintings passed through the hands of the dealer Sam Fogg and finally were bought by the British Museum, this time to the tune of £500,000. The saga has a grotesque touch to it, not uncommon when the wheels of institutional buying are set in motion. But the two panels are as unique to the medieval art of Western Europe as they are crucial to British history. These too had to be "saved."

Add one or two more gems which did not make it to Christie's show — such as Hans Holbein the Younger's admirable portrait of a lady, bought by the National Gallery in 1992 for, it is believed, £10 million — and that's it for the unforgettable pictures bought in the last 15 years.

Of the losses, nothing is said. The show boasts a Claude Lorrain, beautifully composed, but not in the best condition, acquired in 1981 by the National Gallery "for an undisclosed sum." But what about the sublime "Holy Family" done by Nicolas Poussin around 1650 and recorded in the collection of the Dukes of Devonshire as early as 1761, over which no tears were shed when it came up at Christie's on April 10, 1981? One of the very few Poussins to have retained its pristine bloom, it was unsold at £1.5 million. Within hours, the late Norton Simon was on the phone negotiating its acquisition for his museum in Pasadena, California, which now owns it, half share, with the J. Paul Getty Museum in Malibu. Oddly, a year later, the National Gallery settled for Poussin's stilted "Triumph of Pan" and its dancing satyrs.

The other "treasures" hardly make up for such losses. Surely not "Dressing the Kitten," painted by Joseph Derby of Wright in 1761. With its two girls fussing around a kitten, the picture looks like some Walt Disney film still done in Caravagesque chiaroscuro. Surely not "An Iron Forge," a worthy 1772 anticipation of Socialist Realism, by the same painter, let alone Sisley's view of the Welsh coast, painted in 1897, with its upper half flatly painted and empty as if unfinished, nor a mildly pleasing Renoir of no particular significance.

When it comes to the 20th century, the exhibition at times takes an unintentionally hilarious turn. A failure? No, rather the clumsy, ponderous creaking of scores of museums and historic houses, almost none with half the resources they need. Saving Britain's most precious pictures has a long way to go.



Kouji Horiuchi/The New York Times

The main reception area of the Glass Hall: the hall's shipshape roofing slices through the Tokyo cityscape.

Tokyo's Cultural Crystal Palace

By Herbert Muschamp
New York Times Service

TOKYO — Japan's new Tokyo International Forum is such a perfectly realized building that you may actually find yourself hoping that a flaw will turn up.

Everything about this complex of theaters and convention halls has been thought through with precision. The only thing it can be faulted for is a pursuit of excellence so unyielding that it seems to not quite deserve a place in our world of scintillating compromise.

Designed by the New York architect Rafael Vinoly, the $1.5 billion Forum opened Friday. His design was selected in 1989 from among 395 entries in Japan's first international competition.

The architect may be best known in the United States for the sports center at Lehman College in the Bronx (his most important New York project to date).

Vinoly's design for the monumental Forum flies in the face of architectural history, or at least runs against the current preoccupations of many leading contemporary architects. It is lucid, whole and completely straightforward, qualities that have not enjoyed wide favor in architecture for some time. A text is not needed to comprehend it. It does not speak in codes. Some will call it modern, but it is a tribute to this building's strength that one wants to protect it from the standard terminology for style and taste.

In a lecture, Vinoly once said that architecture is "an art of dealing with heaviness," and that is what you get here: a feat of creativity in which floors, ceilings and walls have been made to soar.

The Forum occupies a privileged site in the heart of Tokyo, steps away from the city's main train station and a five-minute walk from the Imperial Palace Gardens. Though built with private money, the Forum is a civic, indeed a national, symbol, a monument to Japan's global economic power.

It is a hybrid building: a place where concerts and other performing arts events will take place amid trade fairs and conventions.

Americans can be discomforted by the mixing of culture and commerce, but in Japan, the most progressive art is typically displayed in department stores. There's nothing contrary about a building that brings Kabuki, Beethoven and cars together under the same roof.

And what a roof! Hagia Sophia, the Guggenheim Museum and Grand Central Terminal have a new cousin. By day a gluiering crystal, at night a glowing lantern, the Forum's Glass Hall joins the ranks of the world's great spaces.

Like some lighter-than-air vessel, the hall's shipshape roofing slices through the Tokyo cityscape. It is wonderful to see that even in a built-up contemporary city, a strong horizontal arc can become a landmark as emphatically as a skyscraper.

As you approach, the Forum divides itself into two structures joined by a public plaza. The Glass Hall rises on one side, tapering to a bladesharp corner at both ends. On the other side, the Forum's four main meeting halls occupy a graduated row of gray concrete cubes.

The plaza is actually more like a two-block-long pedestrian promenade. Beautifully landscaped and furnished with seating, the plaza is meant to be an oasis for office workers in the financial district nearby. The visual effect of this outdoor space is of a man-made ravine, a portage between rippling glass reflections and a cliff of faceted gray stone.

You will want to go into the Glass Hall immediately, but first you ought to look at the fire stairs set between the concrete cubes. These are the Rolex of fire stairs, immaculately engineered cascades of open-mesh steel that rise without a crude or wasted motion. If you climb a flight or two of them, you will get the key to the whole building.

IT'S almost unheard of for architects today to devote themselves to this level of detail. We pretend not to mind, because if we did we'd go crazy. We accept that architects develop concepts, sketches, drawings and models, and then hand the project over to an "associated" firm to create the physical object in space.

Here we're dealing with a radically different economy of mind. The bolt beneath our feet emerged from the same esthetic intelligence that conceived the space around it. An architect is making architecture, and we almost can't stand it. It is dizzying to realize that excellence is a polite term for obsession.

And these are just the back stairs. Officially, people arriving to attend functions at the forum will enter from the opposite side, facing the street. Once inside, you grasp that Vinoly has chosen to celebrate Japan's power with a lavish display of the country's scarcest commodity: space.

There hasn't been a spatial sweep like this since the Paris Opera House: wide lobbies with floors of white glass illuminated from below lead to escalator banks of such glamour that you may have to squelch the impulse to ride them twice. Or give into it.

At the top of the escalators are mezzanines with glass walls that look out to the plaza and back down to the entrance lobbies. The play of reflections infinitely expands the interior's already sizable three dimensions.

The Forum has been criticized by Japanese architects. They are careful to point out that what bothers them is not the building's design but its commercial function in the center of the city. The Tokyo Forum went up around the same time as a new museum of contemporary art, a building on Tokyo's outskirts.

Walking through it, you don't even think "modernism," "functionalism" or "machines for living." You think about George Balanchine. Or a thoroughbred race horse. Or ancient Greece. You think about physical poise.

Immendorff's Iceberg of a Painting

By Roberta Smith
New York Times Service

NEW YORK — Among the German Neo-Expressionists who burst on the New York art scene in the early 1980s, Joerg Immendorff always seemed to be having the most fun, while remaining the hardest to pin down.

A former student of Joseph Beuys and a sometimes adherent of Fluxus who started out as a performance artist, Immendorff became known for garish, slyly Pop-oriented paintings that had little to do with Expressionist angst, neo- or otherwise.

Under the general rubric "Cafe Deutschland," these works portrayed the division of Germany as a nightclub act replete with jaded onlookers who often included the artist and his friends, a floundering eagle and, representing the country itself, a big, sweating iceberg, the cryptic equivalent of a cultural wasteland. The images had the exuberance of big, slightly arcane political cartoons that spared no one.

The first word of Immendorff also turned out to be nearly the last, for despite two gallery shows of earlier works he has not had an exhibition of new paintings in New York since 1987. Now he's bringing the city abruptly up to date with something of a magnum opus: a 23-foot-long (seven-meter-long) canvas titled "The Rake's Progress" that fills most of one long wall at the East 67th Street gallery of his longtime dealer, Michael Werner, a work so big it forces a retreat against the opposite wall to be seen at all.

Crowded with people, objects, events and different levels of reality, it is painted in an exuberant cartoonlike style. It features seven life-size figures, five men and two women, who flank an even larger hollow statue that suggests a human version of a Trojan horse. All stand in a row, most with their backs to the viewer; they are taking a bow from a crowded stage overlooking a dark chaotic theater that is part garden, part bar, with tiers of seats.

The painting itself might be described as the tip of a very big iceberg. This iceberg includes Immendorff's sets, costumes and curtain for a 1994 production of Stravinsky's "The Rake's Progress," in Salzburg, Austria. But it also involves a great number of paintings of which this is the largest, as well as some beautiful, sometimes sexually graphic works on paper, several of which are also on view.

Stravinsky's "Rake" — inspired by Hogarth's eight-painting cycle of the same name, which the composer saw in Chicago in 1947 — has had other artistic admirers.

STILL, Immendorff seems to have gone further than his predecessors. His production of "Rake" added layers of new meaning to an opera already famous for being richly allusive (to Mozart, Monteverdi, Gluck, Pushkin and the story of Faust, among much else).

Basically Immendorff took the "Rake" personally. He reset the morality tale, a story of betrayal and greed in which both love and evil triumph in different ways, in the German art world of the 1980s.

He began by turning the opera's lead character, the dissolute Tom Rakewell — who abandons his fiancee, Anne, at the invitation of a family retainer who turns out to be the devil — into a version of himself. He converted most of the opera's other roles into similar hybrids by merging them with the characters of his friends and associates, while adding at least one new character, the poet Rimbaud.

The painting, which depicts the post-performance curtain call, shows a scene laid waste by the opera. The front of the house is a rose garden that progresses, left to right, from blossoms to withered stalks; above is an audience in a state of unrest.

Onstage, art references abound. A portrait of Rimbaud sits on the far right of the stage, near masks of Auden, Stravinsky and Freud protruding from a box labeled "Bedlam" (the insane asylum where Rakewell dies).

Big as it is, "The Rake's Progress" has been carefully attended to at nearly every juncture. The actors are outlined in bright yellow; there are numerous feats of transparency and wonderfully painted details, especially at ground level among the shoes and toes. However Immendorff's reconception of the "Rake" may have played onstage at Salzburg, on canvas it is boldly conceived and richly entertaining.

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Nationwide prices, not reflecting late trades elsewhere.
The Associated Press.

Continued on Page 12

International Herald Tribune
BUSINESS/FINANCE
SATURDAY-SUNDAY, JANUARY 11-12, 1997

Anti-Inflation Is Blueprint For European Central Bank

Compiled by Our Staff From Dispatches

FRANKFURT — The European Monetary Institute on Friday unveiled its blueprint for a fiercely anti-inflationary European central bank designed to ensure that the single European currency is as stable as the Deutsche mark.

In a long-awaited report, the institute endowed the future European central bank with the policy strengths of the powerful Bundesbank, which already essentially dictates the level of interest rates in Europe.

But it left final decisions on other questions, such as reserve requirements, to the future central bankers themselves, who will take over responsibility for monetary policy when the European single currency is launched in 1999.

Under the institute plan, which must be approved by the bank, the central bank's interest-rate structure will have a floor rate, a main money-market rate, and an emergency lending facility aimed at putting a cap on interest rates throughout the Continent. The bulk of bank borrowing will take place via securities repurchase operations, it said.

The interest-rate structure and the use of repurchase operations are similar to the tools used by the Bundesbank to direct monetary policy. But Alexandre Lamfalussy, head of the institute, stressed that the plan was not simply a copy of the German central bank.

"We have not taken over any model from any one country," he said.

Although it gave very precise details in some areas, the report left several key decisions up to the bank. It left open the decision of exactly what form of policy strategy the central bank will adopt, simply recommending that it target either inflation or money supply.

The Bundesbank, the region's top inflation fighter, is determined to keep money-supply targeting alive, while most other European central banks have switched to a combination of direct inflation and money-supply targets.

It also left open whether the bank would use minimum reserves, requiring banks to deposit some funds at the central bank. The Bundesbank has pushed hard for this, but Britain and others reject the idea. *(Reuters, Bloomberg)*

Thai Alternative To Urban Jungle

Rural Factories Reverse Trend

By Seth Mydans
New York Times Service

NANG RONG, Thailand — The factory scene could be replicated in almost any crowded Third World city: dozens of young women laboring at assembly lines and seated on the floor sewing, cutting, stamping and gluing shoes for export.

But outside the windows of this spacious converted chicken pen are broad green rice fields and the tin-roofed houses of a remote farming village. Many of the workers here are refugees not from rural but from urban poverty, lured back from the sweatshops of Bangkok, the capital, to their home villages by a program for small magnet enterprises.

"I was sick of it," said Piengpen Tawipoon, 18, who spent two years in a garment factory in Bangkok before she learned of the new factory near her home village here in northeastern Thailand. "It was expensive and dirty, and I was far from my family."

The factory here is one of several such enterprises created by Mechai Viravaidya, who in the 1970s established Thailand's population-control program and has now turned his energies toward the problem of rural poverty. "It's reverse migration," he said. "We have one factory where 80 percent of the people have come back from Bangkok."

His program, financed partly by donations from major Thai and foreign companies, is intended to be self-supporting. It is an attempt at a model for attacking urban migration, which is one of the country's most destructive economic trends.

Over the past decade, Thailand's economy has been one of the world's fastest-growing, with a rate averaging more than 8 percent a year. But that has also created one of the greatest divides between rich and poor.

Seth Mydans/The New York Times
Workers stitching shoes at a factory in Nang Rong.

Here in northeastern Thailand, where the year is divided into just two harsh seasons — flood and drought — the economic boom of the capital is as distant as those of foreign countries. The average annual income here, $680, is less than one-tenth the average of $7,000 in Bangkok, less than 320 kilometers (200 miles) away.

The region has quite naturally turned to supporting itself off the wealth of the big city, sending its sons and daughters to Bangkok to work as laborers, vendors and domestics. They have joined a growing underclass of slum dwellers who make up about 1.5 million of the city's 10 million residents. The villages, too, are suffering as a result.

"Thailand's rural culture is dying," Mr. Mechai said.

See THAILAND, Page 13

Unemployment Data Show Renewed Vigor In the U.S. Economy

By Robert D. Hershey Jr.
New York Times Service

WASHINGTON — Jobs and paychecks swelled with unexpected vigor in December, the strongest evidence so far that the economy ended the year with fresh momentum, Labor Department figures showed Friday.

Although the unemployment rate was unchanged at 5.3 percent, analysts said the overall jobs report, the first broad gauge of the economy's performance in December, was so thoroughly robust as to increase the risk of inflation and a decision by the Federal Reserve Board to raise interest rates to counter it.

Bond and stock prices initially plunged on the news, but the Dow Jones industrial average staged a comeback and closed at a record 6,703.79 points, up 78.12.

Interest rates moved higher across the board, with the benchmark 30-year Treasury bond rising to 6.84 percent from 6.75 percent Thursday. The price of the bond fell 1 3/32 point, to 95 20/32.

More economists joined the scramble to raise estimates of national output in the final 1996 quarter, which already appeared to be higher than is consistent with steady inflation.

"You're starting off from a much higher platform," said William C. Dudley, an economist at Goldman, Sachs & Co., which now figures fourth-quarter growth to have been at an annual 3.6 percent, rather than 3 percent.

But while the chances increased that the Fed will tighten credit, analysts said the central bank would probably wait until its March policy meeting to do so when it would be better able to tell whether the economy's current resurgence will ebb on its own with help from high interest rates generated in the market.

Some analysts predicted just this. "The current strength in the economy will be temporary," said Mickey D. Levy, economist at NationsBank in New York. "In the spring we'll see signs that the current rate of growth won't be sustained."

While a 262,000 expansion of corporate payrolls was about 50 percent greater than the consensus prediction, the most startling development was a second straight large increase in average hourly earnings. Most analysts had expected little change after a huge 9-cent November jump, but pay rose another 6 cents instead.

This suggested a hefty rise in the quarterly employment cost index, to be published Jan. 28, which the Fed watches very closely.

Nearly all industries posted big job

See JOBS, Page 10

GM Espionage Settlement Forces VW to Cut All Ties to Lopez

The Associated Press

FRANKFURT — General Motors Corp.'s settlement with Volkswagen AG over corporate espionage requires the German carmaker to sever all ties with the case's central figure until the turn of the century, the head of GM's German subsidiary said Friday.

A sticking point in the agreement had been VW's loyalty to Jose Ignacio Lopez de Arriortua, GM's former European purchasing chief who faces criminal charges of stealing company secrets when he and seven other GM executives defected in March 1993.

That touched off a four-year legal and public relations wrangle between the two automaking giants that was settled late Thursday with VW agreeing to pay GM $100 million in cash.

VW also said it would buy $1 billion worth of GM parts over seven years.

But David J. Herman, chairman and managing director of GM's Adam Opel AG subsidiary in Germany, said Friday that the agreement also included VW cutting Mr. Lopez adrift.

"Volkswagen has severed its ties with Lopez and three of his associates, who have been indicted," Mr. Herman said. "Lopez will not be able to perform any duties for VW or any of its companies, in any capacity, until at least the turn of the century — either directly or indirectly."

Even after Mr. Lopez, who was credited with VW's recent profit turnaround, had formally resigned in November, VW had said it would pay his legal fees and use him as a consultant; the agreement bans that.

Mr. Lopez still faces prosecution in Germany and a criminal investigation by the U.S. Justice Department without access to VW's funds.

The settlement provided that GM would dismiss the civil case against Mr. Lopez and three former GM executives — Jose Manuel Gutierrez, Rosario Piazza and Jorge Alvarez. They also face German criminal charges of conspiring with Mr. Lopez to steal the GM trade secrets.

Mr. Lopez was about to be promoted as chief of GM's huge North American operations when he jumped ship to VW, Europe's biggest automaker.

German prosecutors have accused Mr. Lopez of stealing thousands of pages of documents and computer diskettes from the world's largest automaker, including plans for an innovative, cost-saving assembly plant proposed for Opel. VW opened a similar plant in Brazil last autumn.

Klaus Kocks, a VW spokesman, said a legal battle would have cost the company much more than the settlement.

"In terms of dollars, this is relatively cheap for Volkswagen," said Mike Robinet, an analyst at CSM Forecasting. "But it doesn't serve both companies to drag this through the courts."

VW shares closed at 712 Deutsche marks ($451.63) in Frankfurt, up 21.50 DM. GM shares closed at $61 on the New York Stock Exchange, up $1.75.

ECONOMIC SCENE

Insuring the Ability to Make a Living

By Peter Passell
New York Times Service

NEW YORK — Most homeowners would not be able to sleep if they did not have fire insurance. But what about the much greater financial risk of losing equity if the volatile housing market heads south?

By the same token, unemployment insurance is a crucial link in guaranteeing adequate income in the event of a job loss. But for most people, the greater risks to their livelihoods are borne privately — for example, the risk of living in a declining economic region or simply entering the job market in an era of stagnant wages.

"Macro Markets" (Oxford University Press), by Robert Shiller of Yale University, explores these and other gaping holes in insurance.

This is a time of spectacular innovation, one in which it is possible to hedge against anything. Trading in financial derivatives — the generic term for synthetic securities that are, in essence, wagers — now tops $50 trillion annually. That is just another form of insurance against risk.

Strikingly, though, this market has hardly touched household assets in general and human capital — the ability to earn a living — in particular.

One reason, notes Stephen Ross, an economist at the Yale School of Management, is "adverse selection." Those most eager to insure themselves against, for example, physical disability are typically those at highest risk.

Another reason familiar to specialists is "moral hazard." Those who are insured against, say, auto theft, are more inclined to leave their cars unlocked, pushing premiums beyond the reach of more prudent owners.

But insurance markets for disability and auto theft do exist. Why then, Mr. Shiller asks, is there no way to insure against stagnant wages? One possibility is that few would pay enough to get an insurance company to take the other side of the bet. Another is that most people are willing to pay to protect themselves only against a sudden catastrophe rather than the less severe losses from economic change.

Still, wage and income growth is not often correlated between countries. There's no good reason, Mr. Shiller argues, why Taiwan, for example, where incomes are relatively low and wages are rapidly rising, would not be willing to bear some of the risk of wage stagnation in Japan, which has high incomes and slowly rising wages, in return for cash premiums.

Or consider the less grandiose idea of insuring against changing housing costs the way farmers and food conglomerates insure each other against changing corn prices.

Most people bear the greatest risks to their livelihoods privately.

Those who already own valuable houses might be prepared to forgo any profit from further appreciation in return for insurance against any fall in price. Meanwhile, renters thinking about buying might be prepared to take the other side of the bet, insuring themselves against rising house costs in return for forgoing the benefits if house prices fall.

Mr. Ross finds the Shiller approach "provocative and bold," but argues that "the issues of practicality loom large." An attempt to trade options linked to an overall index of house prices in Britain failed for lack of interest in the 1980s, he said. It may be that the idea was never marketed well.

On the other hand, there may be insurmountable psychological barriers to getting people to pay to reduce certain kinds of risks.

Olivia Mitchell, an economist at the Wharton School of Business, offers another warning.

While the risk of stagnant wages in a whole country might be offset by buying into the wage experiences of a larger pool of nations, she argues that most of the variation in individuals' incomes has nothing to do with overall wage trends. Those risks may be inherently uninsurable because of moral hazard: If the insurance company will replace 70 percent of any shortfall in my income next year, I think I'll take the day off.

CURRENCY & INTEREST RATES

Cross Rates

Jan. 10

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.7775	2.986	1.1256	0.3328	0.1152*	—	5.445*	1.292	1.5356*	1.3105	1.345*
Brussels	32.545	54.6575	20.6475	6.1125	2.1124*	18.371	—	23.716	0.2819	24.07	24.515*
Frankfurt	1.5774	2.6552	—	0.2964	0.1025*	0.8902	4.8505*	1.1584	1.3674*	1.167	1.1853*
London (a)	1.6803	—	2.6637	8.9779	2,590.85	2.9871	54.8702	2.3114	194.772	2.2648	222.085
Madrid	131.978	222.489	83.649	24.782	8.571*	74.526	4.0571	96.308	114.536*	97.595	—
Milan	1,539.40	2,597.79	975.48	289.80	—	868.48	47.233	1,122.50	13.321	1,138.30	11.665
New York (b)	—	1.6803	1.5859	5.3508	1,541.00	1.7801	32.70	1.376	114.125	1.3488	132.42
Paris	5.3226	8.9745	3.374	—	0.3457*	3.0024	0.1637	3.8887	4.6119*	3.9367	4.035*
Tokyo	116.70	198.99	73.95	21.93	0.759	65.58	3.5886	85.23	—	86.37	0.8819
Toronto	1.3485	2.2654	0.8504	0.252	0.0875*	0.7576	0.4127*	0.9802	1.1671*	—	1.1802*
Zurich	1.3253	2.314	0.8677	0.2571	0.0892*	0.7729	4.2078*	—	1.1657*	1.0205	1.0396*
1 ECU	1.2399	0.7332	1.9501	6.5796	1,983.29	2.1888	40.2664	1.6855	142.689	1.6714	163.137
1 SDR	1.4299	0.8498	2.2553	7.6123	2,291.98	2.5323	46.5374	1.9483	166.359	1.93	188.738

Closings in Amsterdam, London, Milan, New York, Paris, Toronto and Zurich, fixings in other centers.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9998	Greek drac.	245.65	Mex. peso	7.835	S. Afr. rand	4.676
Australian $	1.287	Hong Kong $	7.738	N. Zealand $	1.4213	S. Kor. won	846.80
Austrian sch.	11.075	Hung. forint	163.61	Norw. krone	6.3924	Swed. krona	6.8717
Brazil real	1.041	Indian rupee	35.845	Phil. peso	26.33	Taiwan $	27.49
Chinese yuan	8.3268	Indo. rupiah	2362.75	Polish zloty	2.89	Thai baht	25.63
Czech koruna	27.34	Irish £	0.6054	Port. escudo	157.25	Turkish lira	110215.
Danish krone	6.0082	Israeli shek.	3.2477	Russ ruble	5594.0	UAE dirham	3.6705
Egypt. pound	3.392	Kuw dinar	0.2994	Saudi riyal	3.7498	Venez. boliv.	475.75
Fin. markka	4.6964	Malay. ring.	2.4781	Sing. $	1.4042		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6832	1.6821	1.6807	Japanese yen	114.90	114.44	113.93
Canadian dollar	1.3504	1.3479	1.3452	Swiss franc	1.3653	1.3614	1.3571
Deutsche mark	1.5728	1.5700	1.5665				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Jan. 10

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 3/8 - 5 1/2	3 - 3 1/8	1 1/16 - 1 3/16	6 1/2 - 6 5/8	3 3/16 - 3 1/4	3/8 - 1/2	4 - 4 1/8
3-month	5 3/8 - 5 1/2	3 - 3 1/8	1 5/16 - 1 7/16	6 1/2 - 6 5/8	3 3/16 - 3 1/4	7/16 - 1/2	4 - 4 1/8
6-month	5 1/2 - 5 5/8	3 - 3 1/8	1 5/16 - 1 7/16	6 1/2 - 6 5/8	3 3/16 - 3 1/4	7/16 - 1/2	4 - 4 1/8
1-year	5 11/16 - 5 13/16	3 1/16 - 3 1/8	1 5/16 - 1 7/16	6 9/16 - 6 11/16	3 1/16 - 3 5/16	1/2 - 9/16	4 - 4 1/8

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/4	8 1/4
Federal funds	5 1/4	5 1/4
90-day CDs dealers	5.48	5.43
180-day CP dealers	5.40	5.33
3 month Treasury bill	5.03	4.99
1-year Treasury bill	5.34	5.26
2-year Treasury bill	6.02	5.92
5-year Treasury note	6.37	6.25
7-year Treasury note	6.47	6.35
10-year Treasury note	6.60	6.49
30-year Treasury bond	6.84	6.75
Merrill Lynch 30-day RA	4.95	4.95
Japan		
Discount rate	0.50	0.50
Call money	0.41	0.42
1-month interbank	0.53	0.53
3-month interbank	0.56	0.56
6-month interbank	0.56	0.56
10-year Govt bond	2.57	2.58
Germany		
Lombard rate	4.50	4.50
Call money	3.12	3.10
1-month interbank	3.15	3.15
3-month interbank	3.15	3.15
6-month interbank	3.18	3.18
10-year Bond	5.93	5.89

Britain	Close	Prev
Bank base rate	6.00	6.00
Call money	5 15/16	5 7/8
1-month interbank	6 1/16	6 1/16
3-month interbank	6 1/8	6 1/8
6-month interbank	6 5/16	6 5/16
10-year Gilt	7.62	7.65
France		
Intervention rate	3.15	3.15
Call money	3 1/8	3 1/4
1-month interbank	3 1/4	3 1/4
3-month interbank	3 3/16	3 1/4
6-month interbank	3 3/16	3 1/4
10-year OAT	5.82	5.81

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	357.25	358.30	+2.60
London	358.55	358.25	+1.75
New York	359.10	360.20	+1.40

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Feb.)
Source: Reuters.

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Each Ticket can win you a cash prize of up to DM25,000. You simply scratch where indicated - for many chances to WIN INSTANTLY

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Take a pen and mark 6 numbers with a cross (X) out of 49 numbers on each GAME you wish to play. The GAMES are shown below on the ENTRY FORM, and you can play up to 10 GAMES at once. Tick one of the boxes at bottom left indicating the number of GAMES you want to play.
The more GAMES you play - the greater your chances of winning. When the numbers you've selected match the winning numbers in any one Draw YOU BECOME AN INSTANT MILLIONAIRE.
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GAME 1 · GAME 2 · GAME 3 · GAME 4 · GAME 5 · GAME 6 · GAME 7 · GAME 8 · GAME 9 · GAME 10 (each: 1 2 3 4 5 6 7 8 9 10 / 11 12 13 14 15 16 17 18 19 20 / 21 22 23 24 25 26 27 28 29 30 / 31 32 33 34 35 36 37 38 39 40 / 41 42 43 44 45 46 47 48 49)

No. of Games: Please mark Box for Number of Games and Play Period	27 DRAWS 9 weeks	60 DRAWS 18 weeks	123 DRAWS 36 weeks
One Game	☐ US$ 65	☐ US$ 130	☐ US$ 260
Two Games	☐ US$ 130	☐ US$ 260	☐ US$ 520
Four Games	☐ US$ 260	☐ US$ 520	☐ US$ 1040
Six Games	☐ US$ 390	☐ US$ 780	☐ US$ 1560
Eight Games	☐ US$ 520	☐ US$ 1040	☐ US$ 2080
Ten Games	☐ US$ 650	☐ US$ 1300	☐ US$ 2600
Entry Costs shown in US$. Extra Free Draws are added automatically to your Subscription >		2 weeks FREE DRAWS added	5 weeks FREE DRAWS added

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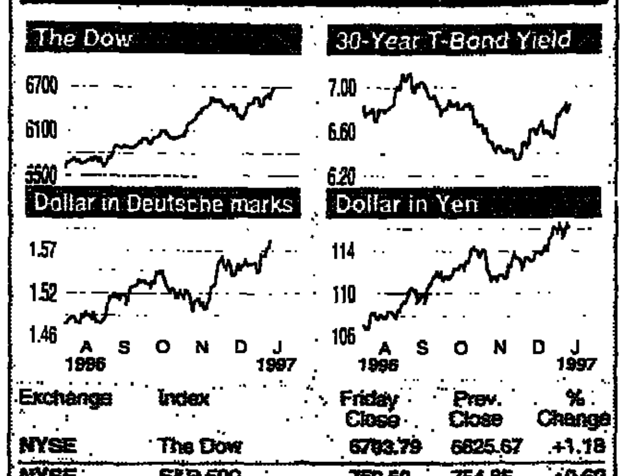
Investor's America



Exchange	Index	Friday Close	Prev. Close	% Change
NYSE	The Dow	6703.79	6625.67	+1.18
NYSE	S&P 500	759.50	754.85	+0.62
NYSE	S&P 100	744.94	739.42	+0.75
NYSE	Composite	400.76	398.58	+0.55
U.S.	Nasdaq Composite	1329.26	1326.88	+0.16
AMEX	Market Value	586.04	581.74	+0.74
Toronto	TSE Index	5984.93	5959.36	+0.43
São Paulo	Bovespa	74783.41	74542.10	+0.32
Mexico City	Bolsa	3596.09	3578.34	+0.50
Buenos Aires	Merval	674.93	672.17	+0.41
Santiago	IPSA General	5135.15	5140.13	-0.10
Caracas	Capital General	6599.61	6562.13	+0.57

Source: Bloomberg, Reuters International Herald Tribune

Helmsley Willed All to Leona

By Matthew Purdy
New York Times Service

NEW YORK — Except for the $25,000 he left to his longtime secretary, Harry Helmsley bequeathed his entire $1.7 billion empire to his wife, Leona, automatically anointing her as one of the dominant forces in New York City real estate.

Considering the vastness of Mr. Helmsley's holdings, his will was a fairly straightforward 18-page document that was filed Thursday morning in Surrogate's Court in Manhattan. By just after noon, the will had been approved by Surrogate Eve Preminger.

The will transfers to Mrs. Helmsley ownership and management over Mr. Helmsley's stable of properties — from the Empire State Building and One Penn Plaza to a chain of hotels that includes the Helmsley Park Lane and the St. Moritz. It also gives her the freedom to transfer or sell any properties.

The power was granted to Mrs. Helmsley just five days after the death of her 87-year-old husband. She had already gained considerable notoriety, first as the iron-fisted overseer of some of the city's most famous hotels and then as a convicted, imprisoned tax evader.

While Mrs. Helmsley is her husband's only heir, greatly reducing the chances of a challenge to the will, her claim to her husband's entire fortune is not without question.

Two partners of Mr. Helmsley, Irving Schneider and Alvin Schwartz, have accused Mrs. Helmsley in a lawsuit of draining the Helmsley-Spear realty firm of assets to avoid paying them millions of dollars. In 1970, Mr. Helmsley granted the two men an option to buy the firm upon his death or receive payments of $10 million apiece.

The will filed Thursday did not contain a list of Mr. Helmsley's holdings, and an inventory of his estate is to be filed within six months. His personal fortune has been estimated at $1.7 billion, and he was owner or partner in real estate in New York and around the United States that was worth an estimated $5 billion.

2d Vacancy Created on Fed Board

Bloomberg Business News

WASHINGTON — Lawrence Lindsey will resign Feb. 5 as a governor of the Federal Reserve System, creating a second vacancy for President Bill Clinton to fill on the U.S. central bank's board.

Mr. Lindsey, 42, a Bush administration appointee, is joining the American Enterprise Institute, a Washington-based think tank known for its advocacy of conservative positions. He will be the resident scholar and the first to hold the Arthur F. Burns Chair in Economics, named for the former Fed chairman, the president of the institute, Christopher DeMut, said.

Neither Mr. Lindsey, an economist with a doctorate from Harvard University, nor Janet Yellen, 50, who is leaving to be Mr. Clinton's top economist, will attend the Fed's first monetary policy session of the year on Feb. 4-5.

Michael McCurry, White House press secretary, said Mr. Clinton was unlikely to make any appointments by the Feb. 4-5 meeting.

Before joining the Fed, Mr. Lindsey was a member of the White House Council of Economic Advisers during the Reagan administration between 1981 and 1984. He also taught economics at Harvard, was a White House adviser in the Bush administration and worked at the National Bureau of Economic Research.

In recent days, Mr. Lindsey and other Fed officials have repeatedly tried to send a signal that the U.S. economy was in sound shape. Inflation is "generally contained," Mr. Lindsey said Thursday.

JOBS: *Unemployment Stays at 5.3%*

Continued from Page 9

gains last month — business services, bars and restaurants, construction, finance-insurance-real estate and even manufacturing. The work week lengthened significantly, returning to its highest levels since early 1995.

For all of last year, job growth was 2.6 million, split nearly evenly between men and women, while the proportion of the adult population with jobs climbed 0.7 point, to 63.4 percent.

The employment rate for November was initially reported as 5.4 percent but this was changed to 5.3 percent as part of an annual revision.

■ Wall Street Sets a Record

Stocks surged to a record close for the fourth time in a week as investors shook off concern about higher interest rates and looked to the bright side of surprisingly fast jobs growth, news agencies reported from New York.

"The jobs data suggested the economy's growing at a healthy pace, which should be good for corporate earnings," said John Maack, a portfolio manager at Crabbe Huson Group in Portland, Oregon. "If you continue to see better corporate earnings, stocks will follow, even if you get a backup in rates."

Advancing issues were nearly even with declining issues on the New York Stock Exchange. The Nasdaq Composite index rose 5.82 points to a record 1,332.02, buoyed by Microsoft, which added 1⅜ to 83¾, and Intel, which gained ⅜ to 143⅜.

But interest-rate sensitive companies such as banks retreated because rising rates hurt their profitability. Wells Fargo fell 2⅛ to 278⅞. Corestates Financial dropped ¾ to 50½.

Chipmakers were mixed after a trade association said orders for new chips fell 2.9 percent in December as computer companies awaited Intel's upgraded offerings.

Analysts said the drop was expected. November is usually the

U.S. STOCKS

year's strongest month as computer makers rush to fill holiday orders. The so-called book-to-bill ratio fell to 1.10 from 1.16. That ratio implies that chipmakers took in $110 in new orders for every $100 shipped.

Motorola rose 1 to 66 after several analysts upgraded the stock Friday even though the maker of telecommunications equipment late Thursday reported a 45 percent decline in earnings in the fourth quarter. But much of the drop was attributed to restructuring and other unusual costs.

Software writer Macromedia dropped 4 3/16 to 9 5/16 after the company reported an unexpected third-quarter loss.

Faring best were companies whose profits can benefit most from quicker growth.

Alcoa rose 1⅜ to 71¼. GM gained 1⅞ to 61⅛. Texaco gained 2⅜ to 107⅜ and Exxon rose 2⅞ to 105¾. Faster growth bodes well for energy consumption, and prices for crude are near their highest levels since January 1991.

Among steady earning consumer companies, Procter & Gamble fell ½ to 109¼ and insurer American International Group slid ⅞ to 112⅞.

(AP, Bloomberg)

Very briefly:

E! Owners Let Comcast Seek Control

NEW YORK (AP) — Comcast Corp. announced Friday that it had won the right to buy Time Warner Inc.'s controlling stake in E! Entertainment Television for $321 million.

Comcast is one of five cable-TV companies that are partners in the celebrity-news cable network. The partners triggered a provision in their partnership agreement late last year allowing for a change of control. Comcast said they agreed in talks to allow it to buy out Time Warner's 58.4 percent stake.

The four minority partners in E! are Comcast; Tele-Communications Inc.; Continental Cablevision, which is owned by U S West Inc., and Cox Communications Inc.

Black Workers to Split Texaco Fund

WHITE PLAINS, New York (Bloomberg) — Texaco Inc.'s current and former black employees will divide $115 million from a race-discrimination settlement based primarily on their length of employment since 1991, according to a settlement plan filed Friday by their attorneys.

The cash pool is part of the $176 million settlement of a lawsuit against Texaco that attorneys for the employees submitted to a federal judge here. The settlement also reserves $26 million for pay increases of about 11 percent over five years for current workers and $35 million for racial tolerance programs.

• **General Motors Corp.** has confirmed it is considering a spin-off of part or all of its Delphi Automotive Systems auto parts unit.

• **MCI Communications Corp.** will eliminate 1,200 jobs, or 3 percent of its work force, in a restructuring.

• **General Electric Co.** will pay the government $950,000 to settle a lawsuit that alleges the company failed to do quality tests on circuit boards produced for jet engines.

• **AMR Corp.'s American Airlines** and **British Airways PLC** have formally asked the Department of Transportation for approval of their trans-Atlantic marketing alliance and for immunity from U.S. antitrust law.

Bloomberg, AP

TOKYO: *Plunge in Stock Market Index Just Won't Quit, Analysts in Japan Are Starting to Fear*

Continued from Page 1

week's plunge is that there was nothing in particular that triggered the selling, and the currency market was relatively stable Friday. But there are severe underlying problems that encouraged the market's tremble: a dim economic outlook, a higher sales tax, and budget tightening.

Economists say that an increase in the sales tax, to 5 percent from 3 percent, is likely to crimp buying by consumers after it goes into effect in April. Along with a tiny increase in fiscal spending and an end to tax breaks, the economy is projected to manage little growth in fiscal year 1997, which begins in April.

The government recently forecast that the economy would grow 1.9 percent in 1997, its lowest forecast since the end of World War II.

Some private economists have projected growth rates as low as 0.9 percent, and those could fall further if the stock market depression persists.

"It's a downward spiral," said Mineko Sasaki-Smith, an economist at CS First Boston in Tokyo.

While the lackluster outlook for the economy helped drag down stocks, the depressed stock market may in turn hurt the economy.

Japanese companies are drawing up capital investment plans for the next year. If stock prices drop further, poisoning investment sentiment and making it unattractive to raise money in the stock market, then companies may curb their capital spending plans, which hurts the economy.

Moreover, the damage from the stock market is already being felt acutely by the nation's thinly capitalized banks, which are burdened by several hundred billion dollars in sour property loans. Japanese banks are trying to maintain an international standard of minimum capital of 8 percent of outstanding loans.

To do that, they have relied in part on unrealized profits from portfolio shareholdings they bought years ago at much lower prices. But with stock prices plunging, unrealized profits have shrunk so much as to nudge the weakest and even some moderately weak banks below the 8 percent capital standard.

Banks must meet the capital standard by March 31, when their fiscal year ends, and traders said that many financial institutions had been trying to lock in profits by selling cross shareholdings, stakes held in friendly companies which in turn assume shares in the institution.

Still, if the stock market does not recover by March, some weaker banks will face real challenges. Bank shares fell sharply Friday.

Mr. Hashimoto's massive plan for deregulating the financial industry and the overall economy is contributing in some ways to the plunge in stocks. The government has said that it wants to make over the financial markets so that Tokyo markets will rival New York and London by 2001. But one of the crucial results of such a change is that strong banks will survive, while weak ones simply will not.

For financially strapped banks, one source of profits is sales of overseas securities, particularly U.S. Treasuries and other bonds. But analysts said that a Japanese sell-off was unlikely to affect the bond market in America in a major way.

FOREIGN EXCHANGE

■ Dollar Rises on Jobs Report

The dollar gained against most major currencies Friday after a strong U.S. employment report sparked speculation of higher interest rates, Bloomberg Business News reported from New York.

The dollar finished at 1.5859 Deutsche marks, up from 1.5809 DM on Thursday. But it slipped to 116.125 yen from 116.375 yen. Against other currencies, the dollar rose to 1.3760 Swiss francs from 1.3695 francs and to 5.3508 French francs from 5.3223 francs.

The pound fell to $1.6800 from $1.6988.

AMEX

Friday's 4 p.m. Close

The top 300 most-active shares, up to the closing on Wall Street.
The Associated Press

Stock	Sales	High	Low	Latest	Chge
AM Intl	92	4½	4⅜	4 7/16	—
AMC	709	16⅛	15⅞	16⅛	+⅛
ARC	484	4⅛	4	4	—7/16
ARM F pf	204	25⅝	25⅝	25⅝	—⅛
ATT Fd	234	80½	79½	80⅛	—½
AVIC Gp n	89	3⅛	3 1/16	3⅛	—
Acadiana n	357	15⅝	15¼	15⅝	+¼
AckGrp s	153	11⅛	10⅞	10⅞	—⅛
AdmRsc	676	16⅜	15⅞	16	+⅛
AdvMed	534	4 11/16	4 7/16	4 11/16	+1/16
AirWat	91	6⅞	6⅝	6⅞	+⅛
AHoogen	540	15½	15¼	15¼	—
AlldRsh	824	8	7⅞	8	—
Alphaln	393	8⅛	7⅞	8⅛	+⅛
AltLivng n	703	12	12	12	+⅛
Amdhl	2178	12	11⅞	12	—
AExpl	509	16¼	15⅝	16	—
AIM 84	355	3⅜	3¼	3¼	—1/16
AIM 88	102	14⅛	14⅛	14⅛	—⅛
Am Lisr	354	24⅛	24	24	—⅛
AREInv	124	8 13/16	8 11/16	8 13/16	+1/16
ATechC	104	7⅛	6⅞	7⅛	+1
Ampal wt	127	3/32	3/32	3/32	—1/32
Ampex n	3061	10⅛	9⅞	10	—⅛
AngMtg	156	13½	12⅞	13½	+⅜
Anuhco	88	7 11/16	7 11/16	7 11/16	—⅛
AstLiving	135	15⅝	15	15⅝	+⅜
Astrotc	257	6 3/16	5⅞	6⅛	—1/16
Audvox	6814	7	6½	6⅞	+⅜
Autotote	90	1⅝	1½	1⅝	+1/16
AvivaPet	82	4	3⅞	3⅞	—⅛
Axogen un	331	29½	27¾	28⅛	—⅛
Azco	1181	1⅝	1½	1⅝	—
BAT Ind	794	16	15⅝	15⅝	—⅛
BHC	158	103⅛	102⅛	103⅛	+1⅛
Balinty	300	18½	18⅛	18⅛	—⅛
BT depP	278	25 9/16	25⅛	25 9/16	+⅛
BT dep	798	25⅝	25½	25½	—
BarrLb s	137	25⅛	25	25	—⅛
BayMea	123	44⅛	43	44⅛	+1
Bayou	355	2⅞	2 11/16	2⅞	+1/16
BSJpn wt	94	⅛	⅛	⅛	—
BemaGold	4932	6⅛	5⅞	6	—
BenchE	197	32	31¼	31⅞	+⅛
BenlPh	137	3⅛	3	3⅛	—
BioR A s	130	30⅛	29⅞	30⅛	—
BiscApp	214	1⅛	⅝	1⅛	+⅛
BlairCo	97	20⅛	19⅞	19⅞	—⅛
BogenC	83	4	3 15/16	4	+⅛
Bogen wt	175	⅜	⅜	⅜	+1/16
BoltTch n	201	5⅞	5⅞	5⅞	—
Bowmr	86	2⅛	2	2⅛	—
Bowne	216	24	23⅞	23⅞	+⅛
Brandyw s	432	20	19⅞	20	—
Brscn g	105	22⅛	21⅞	22⅛	+⅛
BritBio n	544	5⅞	5	5⅞	+⅜
CE Frnk g	318	4⅞	4	4⅞	+⅛
CFX Cp	89	16⅛	15⅞	15⅞	—⅛
Cablvsn	382	33⅛	32⅞	33⅛	—⅛
Cablvs pf	121	21½	21¼	21⅜	—⅛
Calton	150	⅛	⅛	⅛	—
Cambior	1276	14	13⅞	13⅞	+⅛
Cambrx s	139	34⅛	33⅞	34	+⅛
CdnOc g s	4469	17⅜	17	17⅜	+⅜
CanyonRs	3540	2⅞	2⅝	2⅝	—⅛
Caremtx n	198	15⅞	15⅛	15⅞	+⅛
CFCda g	323	4 7/16	4⅜	4 7/16	+1/16
CentSe	93	24¼	23⅞	23½	—⅛
ChadThr	110	15⅞	15½	15⅞	—¼
ChaseCp	129	8⅝	8⅝	8⅝	—½
Chief	1028	24⅝	24¼	24⅜	—
Citizinc	183	8 9/16	8½	8 9/16	—1/16
CoastD	252	4½	4	4½	+⅛
Cognitrn	108	4⅝	4½	4⅝	+⅛
ColLb	2606	14⅝	14⅛	14⅝	—⅛
Comforce	97	12⅞	12⅝	12½	—
CmciAsi	97	6⅝	6½	6 11/16	—1/16
CmdrA wt	765	1⅛	1	1⅛	—
CompTch	218	12⅛	11⅞	12⅛	—¼
CmpMan	195	13	12⅞	12⅞	—¼
Cross	551	12⅛	11⅞	12	+½
Cubic s	123	27⅝	26½	27¼	+⅞
CybexIntl	162	11⅛	10⅞	11⅛	+⅛
Cycom gs	252	3	2⅞	3	+⅛
DI Ind	4852	3⅝	3 7/16	3½	+⅛
DRCA	123	4 11/16	4½	4⅝	—1/16
DairyA	115	5⅛	4⅞	5⅛	+¼
DakotaM	625	1⅞	1⅝	1 11/16	+1/16
DanlHd	303	5⅝	5½	5½	—⅛
Datamet	393	1 1/16	1	1	—1/16
Dataram	327	10⅛	9⅞	10⅛	—⅛
Daxor	82	12½	11⅞	12	—⅛
DaytonMn	1075	6 7/16	6¼	6⅜	+⅛
DevnE	971	38⅛	37⅛	38⅛	+⅜
Diodes	82	7⅞	7⅛	7⅞	—⅛
DolAutEx	306	39⅞	38 11/16	39⅛	+⅛
Donelly	99	23⅞	23⅝	23⅝	—⅛
DryCal	182	8 13/16	8 11/16	8 13/16	—¼
DryfMu	202	10⅛	10	10	—⅛
Dycam	119	13/16	11/16	13/16	+1/16
EXX A	97	4⅝	4⅝	4⅝	—
EchoBay	8338	6⅞	6 11/16	6⅞	—1/16
Edisto	135	9 11/16	9⅝	9⅝	—
Editek	1307	11/16	⅝	⅝	—
ElPasoE n	1726	7 1/16	6 15/16	7 1/16	+1/16
Elswth	111	9⅝	9⅝	9⅝	—
Emeritus	467	11⅝	11½	11⅝	—⅛
EmerR	764	1⅛	1⅛	1 1/16	—
EnzoBi	2467	20⅜	19⅞	20⅜	+⅜
FarmTel s	276	3⅛	3	3⅛	+⅛
Fibrbd	197	33⅝	33	33¼	—
FinFdl s	108	16⅝	16½	16⅝	—⅛
FtAust	493	8 13/16	8 11/16	8¾	—
FAusPr	4705	8 13/16	8 11/16	8 13/16	—⅛
Fibber	154	11⅛	10⅞	11⅛	+⅛
ForstLb	2475	32⅞	32¼	32⅞	—
FortPt wt	170	1½	1½	1½	—
FortPet	95	2 13/16	2⅝	2 13/16	+⅛
FrnkSel	90	5⅝	5½	5⅝	—1/16
FreqEl	142	11⅞	11⅝	11¾	+⅛
GST Tele	2574	10⅝	9½	10⅛	+11/16
GavlCn	5144	7 7/16	7	7 7/16	—
GelmSci	155	32⅜	32¼	32¼	—⅛
GenvDr	92	15⅛	14⅞	15	—
GetchGld	697	38⅛	37½	37⅞	—1⅛
GiantFd	972	34½	34	34½	—
Glatfl	234	18¼	17⅞	18¼	+⅛
Globink	270	3½	3 7/16	3 7/16	—1/16
GoVideo	94	1 7/16	1 7/16	1 7/16	—1/16
GldStarR	724	14⅜	14¼	14¼	—
GldFld	267	¼	¼	¼	—
GormRup	207	14	14	14	—
GrtaBayC	499	1⅜	1 5/16	1⅜	—1/16
GrnSICA	226	12½	12⅜	12½	+⅛
GreyhndL	2694	4⅛	4⅛	4⅛	—1/16
HalEP	321	9⅝	9	9⅝	+½
HallerM n	186	16⅛	15⅞	16	+⅛
HangOr	236	6⅝	6⅝	6⅝	—
HanvDir	314	1 1/16	1 1/16	1 1/16	—
Han wtB	115075	1/64		1/32	—1/32
Harken	18802	3⅝	3 5/16	3⅝	+⅛
Hasbro	4709	37⅝	36¼	37½	+⅛
Hearx n	6060	2 11/16	2⅝	2⅝	—
Heico s	165	25⅛	24⅞	24⅞	—¼
HiShearT	115	6⅛	5 15/16	6 1/16	+1/16
HomeVil n	306	18⅝	18⅜	18⅜	—⅛
HomeV wt	881	9⅛	8⅝	8⅝	—⅞
Honda	169	11⅛	11⅛	11⅛	—⅛
ICG Com	937	16⅝	16¼	16⅜	—
IGI	265	7	6⅝	6 15/16	+1/16
Identix	647	9 13/16	9 9/16	9 11/16	+1/16
ImpChMg	286	22⅝	22⅛	22⅝	—⅛
ImpOil g	1187	47½	46⅞	47⅛	+⅛
IneffMkt	89	11⅜	11⅜	11⅜	—
IntlgSys	176	3 5/16	3¼	3¼	—
InCfPd	268	3¼	3 3/16	3¼	+⅛
InterDig	1025	6½	6 3/16	6½	—
eCmrine	304	1	11/16	¾	—1/16
Intrmagn	135	13⅛	12⅞	12⅞	—⅛
IRIS	165	4⅝	4½	4⅝	—1/16
IntstGC	150	3	2⅞	3	—
IntPoly s	145	24¼	23½	24⅛	+1
IvaxCp	4475	11	10⅝	11	—⅛
JTS Corp	1718	3⅛	3⅛	3 1/16	—1/16
JanBell	541	2¼	2 3/16	2¼	—1/16
Keane s	1052	34⅝	33⅞	34½	+½
KevEng	5077	13	11⅝	12⅝	+1¼
KnogNA	85	5⅝	5 7/16	5⅝	+1/16
KogrEq	740	17⅝	17⅜	17⅝	—
L-KRBlol	442	2 11/16	2½	2 9/16	+1/16
LaBarg	256	7	6 11/16	6 13/16	—1/16
LsrTech	104	4⅝	4½	4½	—1/16
LehK 98wt	108	7⅝	7⅛	7⅛	—⅛
LehSTc wt	135	7	6⅞	7	+½
MSB Bcp	157	19⅝	19⅝	19½	—⅛
MagnPet	635	5 1/16	4 15/16	4 15/16	—1/16
MaximPh n	165	7⅝	6¾	7 9/16	+1/16
MaxmP wt	110	1 11/16	1⅝	1 11/16	+1/16
Maxam	83	52⅞	51½	52⅞	+⅜
MeasSpcl	241	3⅝	3⅛	3⅝	+⅛
MedcR	176	10	9⅞	9⅞	+⅛
Media	469	30⅛	29⅞	30⅛	—⅛
MediaLog	262	3 5/16	3	3⅛	—⅛
Mediq	132	6⅞	6⅝	6⅝	—⅛
Metromda	1361	11⅛	10⅝	11⅛	—
MidAtlRty	137	11⅞	11⅜	11⅞	—
MSNIk 97wt	1262	2⅞	1⅞	2½	—⅛
MntsolaE	499	3⅞	3⅝	3⅞	—
Munlin	174	8⅝	8⅛	8⅝	—
MuniMtg n	172	16⅝	16½	16⅝	+⅛
Munvst	315	9⅛	8 15/16	9⅛	+⅛
Myersind	151	15⅞	15½	15⅞	+⅛
NTNCom	657	4	3¾	3⅞	—1/16
NVR	83	13⅛	13	13	—⅛
Nabors	4983	21⅞	20⅝	21⅛	+½
NtlPatnt	1305	8⅝	8⅛	8⅝	+⅜
NatAlt	140	9⅞	9⅝	9 9/16	+⅜
Nelmed n	140	7⅞	7	7⅛	—
NY Times	1736	37⅛	36⅞	37⅛	—
NA Vacc	479	24⅝	23½	23½	—1
Novavx	620	3⅝	3⅜	3⅝	+⅛
Numac	97	4	3⅞	3⅞	—
NCAPI	160	12⅛	12⅛	12⅛	—⅛
NMOPI	285	12⅜	12⅛	12⅜	—⅛
NuvWA	196	12⅜	12⅜	12⅜	—⅛
OSullvnC	98	10⅝	10⅝	10⅝	—
OmniMult	338	2 5/16	2¼	2⅜	+1/16
Oncor	574	4⅝	4⅛	4½	—⅛
Oncormd	150	6⅝	5 15/16	6	+⅛
Organgn	879	23⅛	22½	22⅞	—⅛
PGECap pf	240	25	24⅞	24⅞	—⅛
PLC Sys	945	25⅝	25	25½	—⅛
PanAmC n	461	8⅛	7⅞	8⅛	+⅛
Paxsnc	1486	9⅞	8⅞	9	—⅞
PegGld	14605	7 11/16	7⅛	7⅜	—⅛
PhlNet	680	4⅛	4	4⅛	—⅛
Phonetel	278	3⅝	3	3½	—⅛
PinRsc	1619	17⅜	15⅞	16⅞	+⅛
Polymed	160	4⅛	4	4	—⅛
Polyph	579	5⅛	4⅞	5⅛	+1/16
PortSys s	257	2	1⅝	1⅞	+⅛
PrpdLg	839	15⅝	15⅝	15⅝	—½
PresR B	120	6⅝	6⅛	6⅝	—
PrcCm	90	9	8⅝	8⅝	—
Pricell s	183	10⅛	10	10⅛	—⅛
ProActiv n	126	1⅞	1⅝	1⅞	+1/16
PromCT	226	8 7/16	8 3/16	8 7/16	—1/16
PsycCp	534	7	6⅞	6 15/16	—1/16
QC Opt wt	95	1⅛	1⅛	1⅛	—1/16
RF Pow	215	2 13/16	2⅝	2 13/16	—1/16
ecRander	111	⅝	⅝	⅝	—⅛
RedGold	431	1 5/16	1¼	1⅛	—1/16
RegalBel	284	20⅞	20	20⅞	+⅛
Riser	95	31⅛	30⅝	31	—⅜
Rotonic	113	1½	1⅜	1½	—
RoyalO g	3363	3¼	3⅛	3 5/16	—
SaboPet s	1845	23⅞	21⅞	23¼	+1⅜
SBYen wt98	307	5⅝	5⅛	5⅝	—⅛
ShelbyMd	218	3⅝	3 7/16	3⅝	—
ShellCm s	222	11¼	10⅞	11	—
ecSaugen	312	11/16	11/16	⅝	+⅛
StnrBnc	100	13⅝	13⅝	13⅝	+⅛
SocialT n	738	5⅝	5⅝	5⅝	+⅛
SPDR	22608	76¼	74¼	75 15/16	+⅜
SP Mid	1483	51⅛	49 31/32	51 7/32	+11/32
Stephan	100	14⅛	13⅞	13⅞	+¼
SubstAbus	2793	1 13/16	1½	1⅝	+1/16
SulCus	363	2⅜	2	2 5/16	+1/16
TabPrd	245	9 11/16	9¼	9 11/16	+⅜
Team	460	2⅜	1⅞	2⅜	+⅜
Teche	237	14⅝	14⅞	14⅝	+⅛
TelDta	263	35⅝	35⅛	35½	+¼
TexBiotch	1882	4½	4⅛	4⅝	+⅛
TexMer	181	16½	16⅛	16⅛	—⅛
Thermed	401	19¼	18	19⅛	+1
ThCar s	229	30⅛	29⅝	30	—1
ThrFibr n	251	9 7/16	9⅛	9⅛	—⅛
ThrFibr rt	398	3⅛	3	3	+1/16
ThmFib s	138	9	8⅝	8⅝	—1/16
ThrInst	431	32⅝	32⅛	32⅝	+⅛
ThrOptk n	201	12⅛	11⅞	12⅛	+⅛
ThrmRe	197	8	7⅞	8	+1/16
ThrSpect	222	14	13⅞	14	—
ThrVolt s	186	11	10⅞	11	+⅛
Thrmolse	658	17½	17	17⅛	—⅛
Thrmotr	287	30⅛	30	30⅛	+⅛
TopSrce	1239	2⅝	2 9/16	2 9/16	—
TotlPet	464	10⅝	10¼	10¼	—⅛
TownCty	363	⅞	¾	⅞	+1/16
TWA wt	524	3 13/16	3⅝	3⅝	—⅛
TWA	4410	6 11/16	6⅜	6⅜	—½
TrnsLx	120	12⅛	11⅝	11⅝	—1
TrexMed n	200	16⅞	16⅛	16⅝	+⅛
Trinitech	418	5¼	4⅞	5 5/16	+5/16
TubMex	2641	16½	16¼	16½	+⅛
USFGP	204	18⅝	18⅜	18½	+¼
UTI Eng	113	35⅝	35	35⅝	—⅛
Unitab	603	5/16	¼	5/16	—
Unimar	84	5	4 15/16	5	+⅛
US Bio wt	108	5½	5 7/16	5⅝	—
USBiosci s	1484	15⅝	14⅞	15⅝	—
US Cell	686	27⅝	27½	27⅝	+⅛
VKAdM2	320	11⅝	11⅜	11⅝	—
Viacom	1116	36	35	36	+⅜
ViacB	5719	36⅜	35⅜	36⅜	+1⅛
Viac wtC	795	1/32	1/32	1/32	+1/32
VistaG g	532	1⅝	1 9/16	1⅝	—
Vitronic	311	1⅛	1 1/16	1 1/16	—1/16
WRIT	658	18⅝	18	18⅝	+⅛
WIRET	627	13⅝	13	13⅝	+⅛
WhtmE s	113	5 13/16	5½	5⅝	—⅛
WinstRs	125	3⅜	3½	3⅜	—
WirelssT s	1184	11⅞	10½	11⅝	+⅝
WEBCan n	148	12 11/16	12 9/16	12 11/16	+⅛
WEB HK n	393	15 9/16	15	15 9/16	—1/16
WEB Ita n	151	15 5/16	15 5/16	15 5/16	+⅛
WEB Jpn n	1681	12	11⅝	11⅝	—1/16
WEB Sng n	92	12⅛	11⅞	12⅛	—
XCL Ltd	14188	1/16	1/16	1/16	—
Xytron	119	1 11/16	1 11/16	1 11/16	—

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	6553.71	6708.03	6557.94	6703.79	+78.12
Trans	2251.36	2271.08	2238.48	2263.68	—7.40
Util	233.23	236.30	232.60	236.30	+0.67
Comp	2045.79	2081.02	2046.02	2080.84	+13.90

Standard & Poors

	High	Low	Close	Chg.
Industrials	895.82	879.28	895.50	+7.48
Transp.	545.50	537.58	545.46	—0.04
Utilities	201.37	198.57	201.37	+0.29
Finance	82.73	81.29	82.38	—0.35
SP 500	759.65	746.92	759.50	+4.65
SP 100	745.45	732.15	744.94	+5.52

NYSE

	High	Low	Last	Chg.
Composite	400.83	394.63	400.76	+2.18
Industrials	508.45	499.45	508.41	+4.19
Transp.	355.08	350.60	355.01	—0.07
Utility	260.81	257.36	260.81	—0.55
Finance	354.84	350.20	353.87	—0.97

Nasdaq

	High	Low	Last	Chg.
Composite	1329.83	1315.56	1329.26	+3.06
Industrials	1140.80	1127.47	1140.80	+1.57
Banks	1283.24	1279.29	1282.90	—0.24
Insurance	1440.73	1428.13	1440.73	—1.19
Finance	1599.40	1591.66	1599.26	—5.33
Transp.	903.88	897.98	903.88	—8.24

AMEX

High	Low	Last	Chg.
586.04	578.30	586.04	+4.30

Dow Jones Bond

	Close	Chg.
20 Bonds	103.00	—0.08
10 Utilities	100.14	—0.06
10 Industrials	105.86	—0.08

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Motorola	117437	68	65	66½	+1½
SplAuth s	59970	21⅞	14⅝	17⅛	—4⅜
Compaq	58559	79⅞	74⅞	79⅛	+4
PepsiCo s	56046	29⅞	28⅝	29	—⅛
GnMotr	55560	61⅝	58⅞	61	+1⅛
AmerOn	52692	39⅞	34⅝	39⅞	+5⅛
K mart	50196	11⅞	10⅝	11⅛	+½
IBM	43481	164	160⅝	163	+1⅝
CmpAsc s	42483	48⅛	46⅞	47	—2
FanniMae	41587	38⅛	38⅛	38⅝	+⅛
AT&T s	39796	38⅞	38	38⅝	+⅛
Lucent n	38373	51⅞	49⅝	51⅝	+1⅛
WalMart	35489	24	23⅞	24	+⅛
MercFn	35661	14	11⅞	14	+1⅛
FordM	34984	33½	32⅞	33⅛	—⅛

Nasdaq

	Vol.	High	Low	Last	Chg.
Intel	139420	144⅝	141½	144½	+1½
Macrmd	135730	10⅝	9⅛	9⅜	—4⅛
Oracle s	132965	41⅞	40⅛	40⅝	—⅞
Microsft s	83115	84⅜	81⅝	84⅛	+1⅜
Amgen	81126	59⅞	54⅛	55⅛	—2⅝
Cisco s	68634	68⅝	66⅛	68⅜	+1⅛
Netscpe	66377	49⅝	45⅛	45⅝	—2⅝
Ascend	59795	67⅞	61⅝	67⅞	+4⅛
WorldCm s	55897	27	26⅛	26¾	—⅛
C-Phone	55765	17⅛	12⅛	16⅛	+4
DellCpt s	54515	60⅝	56	60	+2⅛
SunMic s	51901	27⅛	26⅝	27⅛	—⅛
MCI	49880	33⅞	32⅝	33⅛	—⅛
ApldMat	49342	41⅞	39⅝	41⅞	+1
DSC	45346	19⅞	17⅞	19	+1

AMEX

	Vol.	High	Low	Last	Chg.
Han wtB	115075	1/64		1/32	—1/32
SPDR	22608	76¼	74¼	75 15/16	+⅜
Harken	18802	3⅝	3 5/16	3⅝	+⅛
PegGld	16605	7 11/16	7⅛	7⅜	—⅛
XCL Ltd	14188	1/16	1/16	1/16	—
EchoBay	8338	6⅞	6 11/16	6⅞	+1/16
Audvox	6814	7	6½	6⅞	+⅜
Hearx n	6060	2 11/16	2⅝	2⅝	—
ViacB	5719	36⅜	35⅜	36⅜	+1⅛
GavlCn	5144	7 7/16	7	7 7/16	—

Trading Activity

NYSE

	Close	Prev.
Advanced	1275	1632
Declined	1234	957
Unchanged	841	761
Total issues	3350	3350
New Highs	194	220
New Lows	23	23

Nasdaq

	Close	Prev.
Advanced	2014	2294
Declined	2065	1785
Unchanged	1650	1651
Total issues	5729	5730
New Highs	192	226
New Lows	66	49

AMEX

	Close	Prev.
Advanced	274	300
Declined	259	213
Unchanged	190	225
Total issues	723	738
New Highs	32	33
New Lows	8	10

Market Sales

	Today 4:00	Prev. cons.
NYSE	551.72	665.21
Amex	23.51	39.84
Nasdaq	604.05	621.95

In millions.

Dividends

Company	Per	Amt	Rec	Pay
STOCK SPLIT				
Am Homestar 5 for 4 split.				
Harbinger Corp 3 for 2 split.				
Produccion Opera 2 for 1 split.				
Tyson Foods 3 for 2 split.				
SPECIAL				
CFS Group g	-	.06	1-22	1-30
INCREASED				
Flowers Indus	Q	.155	1-24	2-7
REGULAR				
Adams Express	Q	.12	2-24	3-1
Alum Co America	Q	.225	2-7	2-25
Blkrk Broad 2009	M	.075	1-15	1-31
Delta & Pine	Q	.02	2-28	3-14
Fst Chi adjpf B	-	1.50	2-7	2-28
Fst Chi adjpf C	-	1.625	2-7	2-28
Fst Sthn Bncshrs	Q	.125	1-21	1-31
Grace,WR Co	-	.125	2-28	3-11
HUBCO Inc	Q	.19	2-14	3-1
Health Retirment	Q	.36	1-24	2-20
Liberty Bncp DEL	Q	.15	1-20	1-24
Paychex Inc	Q	.099	1-30	2-20
Petrol Resources	Q	.20	2-24	3-1
Putnam Diversfd	M	.071	1-10	1-21
Putnm FedInco Tr	M	.051	1-10	1-21
Putnm HgYld Ad	M	.072	1-15	1-27
Putnm HgYldTr A	M	.092	1-10	1-21
Putnm Inco Fd A	M	.037	1-15	1-27
Readers Digest	Q	.45	1-23	2-4
Schnitzer Stl A	Q	.05	2-6	2-21
Seaway Food	Q	.11	1-21	1-31
Stlwstn Energy	Q	.06	1-20	2-5
Tanger Factory	Q	.52	1-24	2-14
Teekay Ship	Q	.215	1-17	1-3

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

See our **Arts and Antiques** every Saturday

INTERNATIONAL FUTURES

Jan. 10, 1997

Grains

	High	Low	Close	Chge	OpInt
CORN (CBOT) 5,000 bu minimum- dollars per bushel					
Mar 97	2.70¼	2.57¾	2.65½	+0.07¼	144,181
May 97	2.70¾	2.58	2.66¼	+0.08¼	53,039
Jul 97	2.71¼	2.59	2.68	+0.08¼	54,088
Sep 97	2.68½	2.63	2.63¼	+0.06	6,990
Dec 97	2.66½	2.57½	2.62¼	+0.04½	37,087
Est. sales N.A. Thu's. sales 37,097					
Thu's open int 301,533 off 3660					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Jan 97	238.50	234.00	235.60	+9.10	7,128
Mar 97	230.10	220.50	229.50	+9.40	34,348
May 97	226.90	217.00	226.90	+10.00	18,090
Jul 97	226.60	224.00	226.60	+10.00	14,700
Aug 97	225.20	222.50	225.00	+9.80	2,765
Sep 97	221.70	218.30	219.50	+7.80	2,258
Est. sales N.A. Thu's. sales 18,989					
Thu's open int 81,974 up 404					
SOYBEAN OIL (CBOT) 60,000 lbs- dollars per 100 lbs.					
Jan 97	24.80	23.47	24.48	+1.01	4,264
Mar 97	24.76	23.76	24.76	+1.00	47,188
May 97	25.06	24.80	25.06	+1.00	15,020
Jul 97	25.37	25.07	25.36	+0.99	12,168
Aug 97	25.45	25.20	25.45	+1.00	2,279
Sep 97	25.52	25.30	25.52	+0.97	2,322
Est. sales N.A. Thu's. sales 24,067					
Thu's open int 85,848 up 618					
SOYBEANS (CBOT) 5,000 bu minimum- dollars per bushel					
Jan 97	7.35	7.22	7.26½	+0.30¾	5,599
Mar 97	7.29¼	6.99	7.29¼	+0.30	67,279
May 97	7.29¾	6.99	7.29¾	+0.30	28,232
Jul 97	7.30¼	6.99½	7.30¼	+0.30	25,877
Aug 97	7.29½	7.22	7.29½	+0.30	3,958
Est. sales N.A. Thu's. sales 35,247					
Thu's open int 144,268 up 117					
WHEAT (CBOT) 5,000 bu minimum- dollars per bushel					
Mar 97	3.99¾	3.85½	3.87	—0.02¼	32,367
May 97	3.78	3.67	3.70	+0.02½	8,122
Jul 97	3.61	3.46	3.54¼	+0.08½	20,757
Sep 97	3.65	3.57	3.58½	+0.10	1,088
Est. sales N.A. Thu's. sales 12,931					
Thu's open int 63,186 up 175					

Livestock

	High	Low	Close	Chge	OpInt
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Feb 97	65.75	64.82	65.62	+0.70	32,456
Apr 97	66.77	66.05	66.72	+0.37	27,809
Jun 97	64.12	63.50	64.07	+0.30	11,786
Aug 97	64.02	63.47	63.97	+0.32	11,435
Oct 97	66.45	66.20	66.40	+0.35	7,056
Dec 97	68.05	67.80	68.02	+0.35	2,716
Est. sales 20,132 Thu's. sales 19,419					
Thu's open int 94,206 up 928					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Jan 97	68.67	67.45	68.57	—0.13	2,510
Mar 97	68.75	67.45	68.70	—0.42	7,062
Apr 97	68.97	67.92	68.72	—0.70	2,466
May 97	69.45	68.45	69.30	—0.42	3,521
Aug 97	71.40	70.50	71.35	—0.35	2,622
Sep 97	71.50	70.60	71.45	—0.25	403
Est. sales 5,792 Thu's. sales 4,266					
Thu's open int 19,304 up 695					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Feb 97	77.95	77.00	77.70	+0.08	12,596
Apr 97	76.37	75.70	76.30	+0.28	8,182
Jun 97	79.45	78.90	79.40	+0.35	6,515
Jul 97	76.85	76.30	76.65	—0.02	1,380
Aug 97	74.00	73.35	73.90	+0.10	1,234
Oct 97	67.40	67.02	67.22	—0.03	1,237
Est. sales 6,902 Thu's. sales 6,956					
Thu's open int 32,164 up 148					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 97	79.10	77.80	78.00	—0.57	3,974
Mar 97	78.62	77.80	77.90	—0.37	1,037
May 97	79.70	78.80	78.85	—0.45	1,007
Jul 97	78.80	77.98	78.70	—0.25	494
Aug 97	75.30	74.65	74.65	+0.40	324
Est. sales 2,414 Thu's. sales 2,739					
Thu's open int 6,836 off 69					

Food

	High	Low	Close	Chge	OpInt
COCOA (NCSE) 10 metric tons- $ per ton					
Mar 97	1359	1331	1333	—19	28,358
May 97	1381	1357	1358	—16	17,020
Jul 97	1401	1378	1380	—14	11,119
Sep 97	1420	1400	1400	—14	7,043
Dec 97	1437	1420	1420	—14	2,131
Est. sales N.A. Thu's. sales 11,422					
Thu's open int 83,279 up 881					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Mar 97	120.80	118.50	119.60	+0.35	31,595
May 97	118.50	116.45	117.40	+0.25	7,293
Jul 97	116.50	114.75	115.50	+0.50	2,634
Sep 97	114.50	112.75	113.45	+0.70	1,993
Est. sales N.A. Thu's. sales 7,113					
Thu's open int 35,139 off 57					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Mar 97	10.77	10.63	10.64	—0.08	74,176
May 97	10.84	10.73	10.74	—0.09	33,184
Jul 97	10.80	10.69	10.70	—0.07	25,193
Oct 97	10.77	10.66	10.67	—0.07	15,203
Est. sales N.A. Thu's. sales 154,659					
Thu's open int					
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Jan 97	76.00	74.25	74.10	—1.90	460
Mar 97	78.50	77.55	77.65	—0.20	21,414
May 97	81.50	80.50	80.85	—0.25	5,067
Jul 97	84.50	83.75	83.75	—0.50	1,026
Est. sales N.A. Thu's. sales 3,945					
Thu's open int 28,631 up 899					

Metals

	High	Low	Close	Chge	OpInt
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Jan 97			359.50	+1.40	
Feb 97	360.60	358.40	360.20	+1.40	100,413
Mar 97			361.00	+1.50	
Apr 97	362.50	360.50	362.00	+1.50	29,178
Jun 97	365.00	363.60	364.40	+1.60	17,441
Aug 97	366.60	364.80	366.80	+1.70	5,648
Oct 97	369.80	369.80	369.20	+1.70	3,160
Dec 97	371.20	370.90	371.70	+1.80	15,867
Est. sales N.A. Thu's. sales 48,107					
Thu's open int 206,584 up 265					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Jan 97	108.60	107.30	108.50	—0.45	4,566
Feb 97	107.50	106.65	107.20	—0.65	2,195
Mar 97	106.90	105.30	106.10	—0.45	26,564
Apr 97			104.10	—0.25	982
May 97	102.68	101.50	102.27	—0.50	5,316
Jun 97	101.50	101.50	101.30	—0.25	770
Jul 97	99.85	99.10	99.60	—0.70	3,685
Aug 97			98.70	—0.70	580
Sep 97	98.10	97.70	97.60	—0.70	2,596
Est. sales N.A. Thu's. sales 8,718					
Thu's open int 55,813 up 1216					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Jan 97			472.8	+3.1	6
Feb 97			474.6	+3.0	2
Mar 97	478.5	473.5	476.5	+3.0	62,424
May 97	483.0	478.0	481.0	+3.1	10,151
Jul 97	487.5	482.0	485.6	+3.2	8,535
Sep 97	489.5	489.5	490.2	+3.3	2,959
Dec 97	497.5	496.0	497.2	+3.5	5,017
Jan 98			500.0	+3.5	9
Est. sales N.A. Thu's. sales 17,065					
Thu's open int 91,302 up 1569					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Jan 97	365.00	364.00	363.90	+1.90	39
Apr 97	370.50	364.50	368.80	+2.30	19,426
Jul 97	372.00	372.00	371.30	+2.30	2,512
Oct 97	374.50	373.00	373.80	+2.30	2,169
Jan 98			376.30	+2.30	1,074
Est. sales N.A. Thu's. sales 3,127					
Thu's open int 25,220 up 9					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1566½	1567½	1576½	1577½
Forward	1596.00	1597.00	1607.00	1608.00
Copper Cathodes (High Grade)				
Spot	2410.00	2415.00	2388.00	2390.00
Forward	2261.00	2263.00	2252.00	2253.00
Lead				
Spot	689½	690½	681.00	682.00
Forward	697.00	698.00	689.00	690.00
Nickel				
Spot	7180.00	7190.00	7100.00	7110.00
Forward	7275.00	7280.00	7195.00	7200.00
Tin				
Spot	5810.00	5820.00	5785.00	5795.00
Forward	5860.00	5870.00	5845.00	5850.00
Zinc (Special High Grade)				
Spot	1048½	1049½	1041.00	1042.00
Forward	1069½	1070.00	1063.00	1064.00

Financial

	High	Low	Close	Chge	OpInt
US T. BILLS (CMER) $1 million- pts of 100 pct.					
Mar 97	94.94	94.87	94.88	—0.05	4,930
Jun 97	94.72	94.69	94.72	—0.07	2,581
Sep 97			94.50	—0.10	162
Est. sales N.A. Thu's. sales 213					
Thu's open int 7,673 off 15					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Mar 97	106-17	105-215	105-27	— 155	161,951
Jun 97	105-195	105-135	105-175	— 16	3,185
Est. sales 55,000 Thu's. sales 34,622					
Thu's open int 165,136 up 2741					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Mar 97	108-27	107-28	107-30	— 22	308,029
Jun 97	107-22	107-03	107-11	— 22	11,310
Sep 97			106-28	— 22	180
Est. sales 125,000 Thu's. sales 86,749					
Thu's open int 319,536 up 690					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Mar 97	111-21	109-26	110-11	—1 02	452,164
Jun 97	111-04	109-10	109-26	—1 03	14,034
Sep 97	109-25	109-01	109-12	—1 03	5,738
Dec 97	108-30	108-22	108-30	—1 03	3,722
Est. sales 620,000 Thu's. sales 411,575					
Thu's open int 477,216 up 12978					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Mar 97	100.44	99.93	100.07	—0.20	217,417
Jun 97	99.50	99.20	99.17	—0.19	3,578
Est. sales: 220,560. Prev. sales: 226,445					
Prev. open int.: 220,995 up 7,463					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Mar 97	109-17	108-22	108-31	Unch.	139,233
Jun 97	N.T.	N.T.	108-11	Unch.	
Est. sales: 92,093. Prev. sales: 63,914					
Prev. open int.: 139,321 up 2,016					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Mar 97	129.00	128.40	128.70	—0.06	117,701
Jun 97	127.52	127.36	127.30	—0.06	10,510
Sep 97	125.68	125.68	125.62	—0.06	100
Dec 97	N.T.	N.T.	95.06	—0.06	0
Est. volume: 175,053. Open int.: 128,311 off 2,209.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Mar 97	129.25	128.60	128.78	+0.05	94,294
Jun 97	128.55	128.55	128.40	+0.04	1,758
Est. sales: 58,583. Prev. sales: 57,200					
Prev. open int.: 96,052 up 2,527					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Jan 97	94.465	94.400	94.415	—30	23,303
Feb 97	94.440	94.360	94.370	—50	5,789
Mar 97	94.420	94.300	94.340	—50	410,168
Jun 97	94.240	94.090	94.130	—90	349,332
Mar 00	93.290	93.080	93.120	—130	37,821
Jun 00	93.230	93.020	93.060	—130	35,187
Sep 00	93.180	92.970	93.010	—130	30,817
Dec 00	93.090	92.880	92.930	—120	24,206
Est. sales N.A. Thu's. sales 426,621					
Thu's open int 2,137,575 up 22636					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Mar 97	1.6996	1.6718	1.6750	—178	41,304
Jun 97	1.6916	1.6698	1.6712	—176	2,219
Sep 97			1.6672	—176	1,027
Dec 97			1.6632	—176	7
Est. sales N.A. Thu's. sales 5,461					
Thu's open int 44,557 up 420					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Mar 97	.7459	.7415	.7446	+14	42,463
Jun 97	.7492	.7455	.7486	+14	7,975
Sep 97	.7530	.7495	.7521	+14	3,424
Dec 97	.7555	.7530	.7554	+14	362
Est. sales N.A. Thu's. sales 6,177					
Thu's open int 54,230 off 2281					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Mar 97	.6382	.6328	.6338	—25	66,999
Jun 97	.6418	.6370	.6378	—25	4,741
Sep 97			.6421	—23	1,775
Dec 97	.6450	.6450	.6465	—20	17
Est. sales N.A. Thu's. sales 17,407					
Thu's open int 73,532 up 235					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Mar 97	.008753	.008648	.008696	+24	67,341
Jun 97	.008860	.008765	.008811	+27	1,858
Sep 97			.008929	+27	354
Est. sales N.A. Thu's. sales 9,494					
Thu's open int 69,650 off 1058					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Mar 97	.7359	.7300	.7321	—20	46,554
Jun 97	.7423	.7376	.7389	—20	1,587
Sep 97			.7459	—20	2,005
Est. sales N.A. Thu's. sales 13,743					
Thu's open int 50,167 up 1603					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Mar97	96.90	96.88	96.89	Unch.	215,575
Jun97	96.88	96.84	96.87	Unch.	170,752
Sep97	96.79	96.74	96.77	Unch.	138,974
Dec97	96.60	96.54	96.58	Unch.	128,951
Mar98	96.40	96.32	96.38	+0.01	98,817
Jun98	96.15	96.08	96.13	+0.01	78,317
Sep98	95.86	95.79	95.84	+0.01	66,136
Dec98	95.55	95.49	95.54	+0.01	57,033
Mar99	95.28	95.21	95.26	+0.01	39,166
Jun99	95.02	94.95	94.99	+0.02	22,684
Sep99	94.76	94.70	94.72	Unch.	15,445
Dec99	94.47	94.43	94.45	Unch.	4,064
Est. sales: 179,858. Prev. sales: 244,540					
Prev. open int.: 1,027,914 up 9,401					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Mar97	93.46	93.42	93.45	+0.05	94,313
Jun97	93.20	93.13	93.18	+0.06	88,815
Sep97	92.98	92.90	92.94	+0.06	35,692
Dec97	92.80	92.72	92.75	+0.03	25,575
Mar98	92.69	92.62	92.64	+0.03	23,438
Jun98	92.61	92.54	92.56	+0.03	25,773
Sep98	92.54	92.49	92.50	+0.03	18,261
Dec98	92.48	92.41	92.42	+0.03	15,450
Mar99	92.41	92.35	92.34	+0.03	7,872
Jun99	92.34	92.28	92.28	+0.04	5,646
Sep99	92.27	92.20	92.20	+0.03	5,199
Dec99	92.21	92.14	92.18	+0.07	1,640
Est. sales: 111,307. Prev. sales: 63,718					
Prev. open int.: 397,834 off 3,276					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Mar 97	96.80	96.77	96.78	+0.01	83,475
Jun 97	96.82	96.77	96.79	+0.00	41,745
Sep 97	96.77	96.71	96.75	+0.01	29,440
Dec 97	96.67	96.60	96.63	+0.00	20,026
Mar 98	96.49	96.43	96.46	+0.02	15,561
Jun 98	96.28	96.22	96.24	+0.01	12,830
Sep 98	96.06	95.97	96.00	+0.02	11,458
Dec 98	95.76	95.70	95.71	+0.02	8,832
Mar 99	95.46	95.41	95.41	+0.01	11,471
Jun 99	95.17	95.12	95.12	+0.01	5,532
Sep 99	94.90	94.85	94.85	+0.01	2,143
Dec 99	94.65	94.59	94.59	+0.01	1,091
Est. volume: 55,726. Open int.: 243,604 up 3,227.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Mar97	93.42	93.35	93.40	+0.01	103,237
Jun97	93.91	93.84	93.89	+0.02	60,700
Sep97	94.15	94.08	94.13	+0.03	34,192
Dec97	94.20	94.13	94.19	+0.04	19,400
Mar98	94.19	94.16	94.18	+0.04	12,845
Jun98	94.15	94.12	94.15	+0.06	3,385
Est. sales: 43,261. Prev. sales: 36,970					
Prev. open int.: 233,959 up 7,678					

Industrials

	High	Low	Close	Chge	OpInt
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Mar 97	74.80	73.65	73.77	+0.21	23,862
May 97	76.15	75.20	75.20	+0.18	14,632
Jul 97	76.90	76.20	76.25	+0.18	7,638
Oct 97	76.50	76.31	76.31	+0.01	1,322
Dec 97	76.50	76.02	76.11	+0.11	10,121
Mar 98			77.03	-0.08	454
Est. sales N.A. Thu's. sales 8,471					
Thu's open int 57,659 up 424					
HEATING OIL (NMER) 42,000 gal- cents per gal					
Feb 97	73.45	72.05	72.05	—1.00	43,133
Mar 97	71.15	70.05	70.05	—0.83	18,138
Apr 97	67.70	66.70	66.75	—0.58	6,964
May 97	64.05	63.25	63.25	—0.83	4,459
Jun 97	61.75	61.30	61.35	—0.48	5,454
Jul 97	60.60	60.30	60.40	—0.38	3,456
Oct 97	61.18	61.18	61.18		1,811
Nov 97	61.43	61.43	61.43		1,252
Dec 97	61.68	61.68	61.68		3,670
Jan 98	61.68	61.68	61.68		2,325
Est. sales N.A. Thu's. sales 33,397					
Thu's open int 101,324 up 611					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Feb 97	26.41	26.00	26.03	—0.34	85,108
Mar 97	25.70	25.35	25.45	—0.27	56,813
Apr 97	25.04	24.75	24.82	—0.21	32,381
May 97	24.33	24.15	24.15	—0.20	20,924
Jun 97	23.75	23.50	23.56	—0.14	31,471
Jul 97	23.12	22.91	23.00	—0.12	14,247
Aug 97	22.58	22.45	22.45	—0.16	13,770
Sep 97	22.07	21.92	22.07	—0.08	14,036
Nov 97	21.24	21.25	21.34		8,223
Dec 97	21.06	20.88	20.91	—0.12	22,894
Jan 98	20.75	20.75	20.75	—0.02	18,431
Jun 98	19.95	19.88	19.88		12,356
Dec 00	19.45	19.40	19.45	+0.13	655
Est. sales N.A. Thu's. sales 95,543					
Thu's open int 383,959 up 5348					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Feb 97	3.630	3.300	3.300	—181	31,376
Mar 97	3.185	2.760	2.760	—326	26,508
Apr 97	2.660	2.470	2.480	—128	12,679
May 97	2.350	2.250	2.260	—56	18,594
Jun 97	2.255	2.180	2.200	—32	8,339
Jul 97	2.220	2.160	2.170	—30	7,489
Aug 97	2.190	2.140	2.160	—30	6,951
Sep 97	2.190	2.160	2.150	—30	6,541
Oct 97	2.190	2.170	2.170	—25	6,900
Nov 97	2.290	2.260	2.260	—30	3,949
Dec 97	2.410	2.380	2.380	—40	7,223
Est. sales N.A. Thu's. sales 40,875					
Thu's open int 159,022 up 1109					
UNLEADED GASOLINE (NMER) 42,000 gal- cents per gal					
Feb 97	71.00	69.90	70.25	—0.23	34,145
Mar 97	71.10	70.00	70.40	—0.23	13,745
Apr 97	72.50	71.70	72.00	—0.13	7,116
May 97	71.90	71.20	71.60	+0.13	3,205
Jun 97	70.40	69.75	70.40	+0.43	3,837
Jul 97	68.50	68.10	68.30	+0.23	1,584
Est. sales N.A. Thu's. sales 27,480					
Thu's open int 66,191 off 434					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Jan 97	231.75	229.25	233.75	Unch.	6,647
Feb 97	229.00	225.25	226.25	—4.50	27,397
Mar 97	218.75	215.25	216.25	—4.00	10,820
Apr 97	208.50	205.75	206.00	—3.75	8,573
May 97	200.25	198.00	198.50	—2.75	3,496
Jun 97	194.25	192.50	193.00	—2.25	7,461
Jul 97	191.00	191.00	191.25	—1.50	2,558
Aug 97	189.50	189.50	190.25	—1.50	1,016
Sept 97	188.50	188.50	189.50	—1.00	498
Oct 97	N.T.	N.T.	188.75	—1.00	831
Nov 97	N.T.	N.T.	188.25	—1.00	310
Est. sales: 24,799. Open int.: 72,025 off 3,023					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Feb 97	24.51	24.18	24.34	—0.23	39,509
Mar 97	23.99	23.70	23.84	—0.16	46,115
Apr 97	23.42	23.15	23.24	—0.15	17,369
May 97	22.80	22.63	22.68	—0.10	12,152
June 97	22.30	22.07	22.14	—0.03	17,469
July 97	21.70	21.44	21.61	+0.01	10,580
Aug 97	21.21	20.94	21.15	+0.03	2,515
Sep 97	20.80	20.50	20.76	+0.06	5,646
Oct 97	20.40	20.13	20.39	+0.09	3,331
Nov 97	20.00	20.00	20.09	+0.14	2,857
Est. sales: 50,213. Open int.:161,364 off 2,418					

Stock Indexes

	High	Low	Close	Chge	OpInt
S&P COMP. INDEX (CMER) 500 x index					
Mar 97	764.30	747.05	762.50	+4.60	190,792
Jun 97	778.00	754.00	769.90	+4.15	8,726
Sep 97	778.00	763.00	776.40	+3.40	1,565
Est. sales N.A. Thu's. sales 83,582					
Thu's open int 201,187 up 1105					
FTSE 100 (LIFFE) £25 per index point					
Mar97	4090.0	4084.0	4053.0	—33.0	58,084
Jun97	4108.0	4100.0	4074.0	—34.0	2,344
Sep97	N.T	N.T	4103.0	—33.0	1,387
Est. sales: 15,398. Prev. sales: 11,407					
Prev. open int.: 62,310 up 1,220					
CAC 40 (MATIF) FF200 per index point					
Jan 97	2353.0	2311.0	2331.0	— 20.00	23,009
Feb 97	2356.0	2320.5	2335.5	— 20.50	3,750
Mar 97	2361.5	2326.5	2341.0	— 20.00	16,329
Jun 97	2318.0	2316.0	2302.5	— 20.00	1,175
Sep 97	2325.0	2325.0	2312.5	— 20.00	6,276
Mar 98	N.T.	N.T.	2349.5	— 20.00	4,793
Sep 98	N.T.	N.T.	2224.5	— 20.00	660
Est. volume: 20,486. Open int.: 55,992 up 1,303.					

Commodity Indexes

	Close	Previous
Moody's	1,443.70	1,441.90
Reuters	1,891.80	1,895.20
D.J. Futures	149.20	148.24
CRB	241.90	241.71

Bereft Grundig Seeks New Partner but Sees Turnaround in 1998

Bloomberg Business News

FUERTH, Germany — The chief executive of Grundig AG said Friday that the unprofitable consumer electronics company needed a new partner to survive but could return to profit in 1998 if it found one.

Pieter van der Wal said that no talks with possible investors were under way and that Grundig had not received any inquiries.

"We're too small to be global and too big to be a niche player," Mr. van der Wal said. "A company of this volume can't make it alone."

Philips Electronics NV said Tuesday that it was relinquishing control of Grundig, once a hallowed symbol of German technology, following up on its earlier declaration that it would no longer assume responsibility for the company's losses.

CS First Boston has been hired to search for a partner, and Mr. van der Wal said he was optimistic one would be found by the end of the year. He said he did not rule out any category of buyer. The size of the stake to be sold also is open, he said.

"We belong to the top four companies in consumer electronics in Europe," he said. "We're the market leader in Germany. All of that will certainly be of interest to a partner."

But analysts were skeptical.

"From an operational point of view, I don't think there's any reason for anybody to buy Grundig," said Gijsbert Groenewegen of Europe Co.

"In this business you have to be a low-cost producer," he said. "Where is the low-cost production? In Asia. If the Koreans want to establish themselves in Germany by acquiring Grundig, it might be a possibility."

Mr. van der Wal said Grundig's loss for 1997 would be smaller than in 1996, though he declined to give figures, adding that the 1996 results had yet to be completed.

The company reported a loss of 598 million Deutsche marks ($379.3 million) for 1995 amid declining demand and sinking prices for home entertainment products such as video recorders and stereo systems.

Sales for 1997 will be about 3 billion DM, Mr. van der Wal said, adding that the company had plenty of cash to fund operations. Sales totaled 3.5 billion DM in 1995.

Philips's withdrawal came as a surprise, Mr. van der Wal said, but he added that it freed Grundig to compete more vigorously with the Dutch electronics giant.

Philips had managed Grundig since 1984 by agreement with the founding family's trust. In exchange, it was completely liable for the German company's losses.

Grundig has reported a loss nearly every year since Philips took control, with the deficit totaling about 1.5 billion DM, the company said.

Philips' shares finished Thursday up 1 guilder at 73.10 ($41.29).

Gehe Raises Offer For Lloyds Chemists

Compiled by Our Staff From Dispatches

LONDON — Gehe AG raised its offer for Lloyds Chemists PLC to £684.1 million ($1.16 billion) on Friday, which analysts said was enough for the German drug wholesaler to beat a rival bidder, UniChem PLC.

The 5 percent increase in Gehe's bid is likely to end the year-long battle for Lloyds Chemists, a pharmacy and wholesale drug chain based in Staffordshire, England. The acquisition of Lloyds would lift the German drug distributor to a leading position in the £2.5 billion British retail pharmaceuticals market.

Both companies have until Jan. 17 to raise their offer. Under British takeover rules, a decision must be made by Jan. 31.

Gehe described its 525 pence-a-share cash offer as a final, "knockout" bid, aimed at erasing any chance shareholders would accept the cash-and-shares offer of £632.6 million UniChem made on Jan. 3.

"It looks a clear winner," said Tony Cooper, analyst with Greig Middleton & Co. "It would be very difficult for UniChem to match this. I think the game is over."

UniChem had no comment.

On the London Stock Exchange, Lloyds Chemists shares rose 14 pence to close at 525.5.

(Bloomberg, AFX)

GEC Gets a Change of Pace

New Chief Loses No Time in Making His Mark

Bloomberg Business News

LONDON — For 33 years, Lord Weinstock ran General Electric Co. of Britain with an eye on finances and an arm's length from factory workers and managers.

When the 72-year-old executive stepped down from the conglomerate in September to pass control to George Simpson, a man almost 20 years his junior who enjoys chatting with employees, their differences in management style gave only an inkling of changes to come.

Mr. Simpson quickly sold three struggling units, started a streamlining process and pledged to increase earnings. Now, with a cash pile of £2.6 billion ($4.4 billion) and a leading position making military radar and electronics, GEC's changes will rock Europe's defense business, which is coping with the end of the Cold War.

"It is a comparatively thriving company," said Michael Codner, a defense analyst at Royal United Services Institute, a policy research organization. "Sooner rather than later the lid will be taken off the European defense industry, and GEC will be well placed to take a piece."

Mr. Simpson, managing director, is preparing the company for a climate in which defense spending is tight and competition in GEC's other big business — power equipment and telecommunications — is getting fiercer.

The future of GEC, which is not related to General Electric Co. of the United States, is anything but certain. Mr. Simpson told analysts last month his first job was to quicken the pace of annual earnings growth, which is at a below-industry average of 3.2 percent over the past 10 years, compared with promised growth of 15 percent a year at rival Siebe PLC.

The changes come at a cost. GEC took a charge of £160 million against profit in the six months to Sept. 30, which cut profit 35 percent, to £261 million. The charge was to cover the costs of writing down assets for a streamlining. In December, Mr. Simpson promised to sell businesses and find joint ventures to lift the company's prospects.

"Almost anything is possible," said James Heal, an analyst at ABN-AMRO Hoare Govette Ltd., at Mr. Simpson's presentation to investors last month. "There are a number of other businesses that could be sold."

Mr. Simpson's whole approach to managing GEC is remarkable for a company that seldom makes any pronouncements beyond its earnings statements and that omits the kind of forecasts other companies include as a matter of course.

He gave "quite clear priorities about what he wanted to focus on," Sash Tusa, a UBS Securities Ltd. analyst, said of Mr. Simpson's presentation. It was a contrast with Lord Weinstock's style of keeping strategy secret to all but a few inner-circle executives.

The management style has been reflected in the company's share price. GEC's stock price has risen 16 percent since the beginning of 1996, when speculation surfaced that Mr. Simpson would become the head of the company. On Friday, GEC closed at 397 pence in London, down 5 pence.

Mr. Heal figures the stock is worth 450 pence if Mr. Simpson makes good on his plan to make GEC an attractive partner for Europe's defense industry.

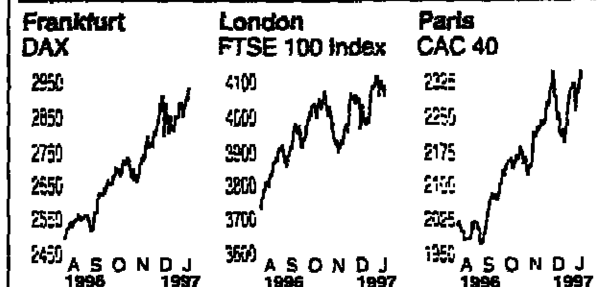
But GEC's British defense business fortunes depend on the Ministry of Defense, which cut its budget 11 percent in the past five years, to £21.8 billion. In Europe, it is waiting to work on the $60 billion Eurofighter attack aircraft, whose fate is in doubt as Germany debates budget cuts to meet criteria for a single European currency.

GEC, meanwhile, is courting Thomson-CSF, a French military electronics maker, as a partner to help it weather tough times. Analysts speculate a link with British Aerospace PLC, Europe's biggest defense contractor, to be more likely because Mr. Simpson once served as the company's deputy chairman.

"We would like to go faster," said David Newlands, finance director for GEC. "There is a much greater recognition in Europe of the need to do something than there was a few years ago."

But the company still must live with past mistakes. Lord Weinstock has acknowledged GEC blundered in not entering the mobile telephone market in the late 1980s, ceding the business to rival Racal Electronics PLC, which started what became Vodafone Group PLC, now worth £7.7 billion.

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	EOE	646.69	650.08	-0.52
Brussels	BEL-20	1,945.99	1,929.62	+0.85
Frankfurt	DAX	2,933.39	2,892.63	+1.41
Copenhagen	Stock Market	491.98	486.67	+1.09
Helsinki	HEX General	2,623.39	2,613.87	+0.36
Oslo	OBX	555.13	560.01	-0.87
London	FTSE 100	4,056.60	4,087.00	-0.74
Madrid	Stock Exchange	457.71	453.98	+0.82
Milan	MIBTEL	11,418.00	11,099.00	+2.87
Paris	CAC 40	2,327.50	2,349.08	-0.92
Stockholm	SX 16	2,547.40	2,588.91	-1.60
Vienna	ATX	1,130.04	1,136.09	-0.53
Zurich	SPI	2,526.61	2,539.19	-0.50

Source: Telekurs — International Herald Tribune

Very briefly:

- **Bank Austria AG** and an investors' group led by EA-Generali AG raised their bids for Creditanstalt-Bankverein AG, but the government would not disclose the new offer as political maneuvering intensified ahead of a possible weekend decision.
- **Halifax Building Society**, the largest mortgage lender in Britain, said its planned stock flotation in June could be worth as much as £12 billion ($20.33 billion).
- **British Gas PLC**'s fourth-quarter earnings will be reduced by £841 million because of costs related to its planned split-up into two companies and renegotiated gas contracts.
- **Russian** shares soared to record levels on Friday on heavy volume as foreign investors poured money into the country, dismissing fears about President Boris Yeltsin's health.
- **Den Danske Bank AS**, Denmark's largest bank, plans to cut up to 500 jobs this year and make further cuts next year.
- **French** consumer prices rose at an annual rate of 1.7 percent in December, near a five-year low, confirming that inflation was under control, economists said.

Bloomberg, Reuters, AP

South Koreans May Join Airbus

Bloomberg Business News

PARIS — At least two South Korean companies said Friday they were talking with Airbus Industrie about becoming risk-sharing partners on its jumbo jet project, aimed at breaking Boeing Co.'s monopoly in large airliners.

Spokesmen for Samsung Aerospace Industries Co. and Korean Air Lines Co. said their companies and several others were involved in the talks on an aircraft capable of carrying at least 550 passengers. Airbus confirmed that it was holding talks with South Korean companies.

Such a plane would be larger than any jetliner on the market and is part of the European airplane maker's desire to complete its family of jets to challenge Boeing, the world's largest maker. Airbus is aiming to win its first order by 1998, putting the plane into service by 2003.

Airbus estimates it would cost $8 billion to develop the plane, and is thus seeking outside capital in Asia and elsewhere. Alenia SpA of Italy has already signed on as a risk-sharing partner.

A spokesman for the four-member consortium said he could not confirm which South Korean companies were involved in the talks. At Samsung, a spokesman noted that nothing has been decided.

Asset Sales in CL Rescue?

Reuters

PARIS — Credit Lyonnais refused to comment Friday on reports that it might sell European subsidiaries in the next six months as part of a recovery plan.

But a spokesman for the French state-owned bank denied a report in the daily Les Echos that Chairman Jean Peyrelevade would defend such a recovery plan when he meets with the European Commission on Monday in Brussels. The plan reportedly under discussion involves a government capital injection of 12 billion francs ($2.3 billion).

WORLD STOCK MARKETS

Friday, Jan. 10
Prices in local currencies.
Telekurs

Amsterdam
EOE Index: 646.69 Previous: 650.08

	High	Low	Close	Prev.
ABN-AMRO	112.30	110.50	111.50	111.30
Aegon	112.30	109.70	111.20	111.90
Ahold	106.90	104.10	105.50	106.30
Akzo Nobel	249	241.60	247.10	248.30
Baan Co.	71.90	68.50	71.90	69.30
Bols Wess cva	31.50	30.80	31.30	31.40
CSM cva	94.40	92.20	93.90	93.40
Dordtsche Pet	329	323.50	325.50	323.10
DSM	172	169.20	170.70	171.30
Elsevier	28.30	27.50	27.70	28.10
Fortis Amev	62.40	60.80	61.40	62.20
Getronics	50.20	49.10	50.10	49.40
G-Broc cva	53.70	52.70	53.30	53.50
Hagemeyer	141.70	138.50	139.60	140.50
Heineken	310.50	302	304.80	309.80
Hoogovens cva	70.10	67.80	68.80	69.60
Hunt Douglas	121	119.30	121	120.80
ING Group	64.60	63.30	63.60	64.30
KLM	48.40	47.50	48	48.10
KNP BT	37.50	36.80	37.20	37.30
KPN	64.50	63.10	63.60	64.60
Nedlloyd Gp	47.30	46.40	47.10	47.50
Nutricia	263	259	261	261.50
Oce Grinten	195.30	193.40	194.40	194
Philips Elec	74.20	71.90	73.10	72.10
Polygram	86.90	83.10	84.60	86.40
Randstad Hdg	132	129.50	130.90	129.90
Robeco	145	142	142.20	142.70
Rodamco	50.20	50.10	50.20	50.20
Rolinco	151	149.50	149.50	150
Rorento	106.20	106	106	105.70
Royal Dutch	308.90	303.40	306.90	303.50
Unilever cva	302.90	295	297.50	300.80
Vendex Intl	80.50	79.50	80.40	79.60
VNU	37.90	36.60	37.30	37.80
Wolters Kl cva	222.90	216.50	219.50	227

Bangkok
SET Index: 840.50 Previous: 843.22

	High	Low	Close	Prev.
Adv Info Svc	276	268	272	268
Bangkok Bk F	272	264	264	272
Krung Thai Bk	58	54	55.50	54.50
PTT Explor	388	382	388	386
Siam Cement F	868	808	816	868
Siam Com Bk F	202	197	199	202
Telecomasia	52.50	50	52	50
Thai Airways	39.50	36.25	39.50	36.50
Thai Farm Bk F	192	187	188	189
Utd Comm	198	180	187	186

Bombay
Sensex 30 Index: 3418.32 Previous: 3362.39

	High	Low	Close	Prev.
Bajaj Auto	995	945.75	980.50	941
Hindust Lever	897	870	892.50	872.75
Hindust Petm	362	347	360	344
Ind Dev Bk	111.25	108.50	109.75	108
ITC	346.25	331.50	345.75	330
Mahanagar Tel	251.25	240	249	238
Reliance Ind	225	220.50	221	222
State Bk India	257.50	253	253.50	255
Steel Authority	24.25	23.50	23.50	23.25
Tata Eng Loco	359.75	351	353.75	351

Brussels
BEL-20 Index: 1945.99 Previous: 1929.62

	High	Low	Close	Prev.
Almanij	10750	10700	10750	10650
Barco Ind	5280	5210	5240	5210
BBL	6840	6750	6800	6780
Bekaert	19700	19250	19600	19400
CBR	3120	3080	3110	3085
CNP	2020	2005	2005	1990
Cobepa	1240	1224	1236	1240
Cockerill	122	118	120	122
Colruyt	14050	13900	13950	13900
Delhaize Lion	1990	1965	1985	1955
Electrabel	7680	7500	7620	7520
Electrafina	3070	3030	3070	3050
Fortis AG	5360	5270	5340	5310
Gevaert	2220	2200	2215	2230
GIB	1515	1498	1505	1498
GBL	4250	4150	4250	4130
Gen Banque	11675	11500	11675	11575
Kredietbank	10475	10200	10400	10400
Petrofina	11125	10825	11000	10950
Powerfin	4750	4710	4730	4725
Royale Belge	6950	6720	6800	6690
Soc Gen Belg	2530	2490	2515	2545
Solvay	21000	20025	20600	19900
Tractebel	14775	14700	14725	14750
UCB	85900	84450	85000	84950
Union Miniere	2140	2115	2125	2125

Copenhagen
Stock Index: 491.98 Previous: 486.67

	High	Low	Close	Prev.
BG Bank	303	293	300	294
Carlsberg B	397	390	392	393
Codan Fors	840	830	834	840
Danisco	362	354	356	358
Den Danske Bk	490	476	483	476
D/S Svendborg B	247000	239000	246500	240500
D/S 1912 B	173000	166000	171000	165000
FLS Ind B	795	775	790	786
Kob Lufthavne	656	644	658	644
Novo Nordisk B	545	535	535	537
Sophus Ber B	795	760	768	763
Tele Danmk B	331	324.50	327	326
Tryg Baltica	325	317	320	321
Unidanmark A	333	321.50	331	327

Frankfurt
DAX: 2933.39 Previous: 2892.63

	High	Low	Close	Prev.
AMB B	970	960	970	915
Adidas	144	143	143.50	143
Allianz Hdg	2755	2724	2748	2693
Altana	1260	1238	1255	1220
Bk Berlin	31.35	30.95	30.99	31.10
BASF	58.15	57.45	57.50	56.35
Bayer Hypo Bk	47.85	47.50	47.47	47.19
Bay.Vereinsbank	62	61.40	61.65	61.48
Bayer	60.35	60.70	60.45	59.55
Beiersdorf	81	78.50	81	77.10
BHW	1085	1073	1078	1053
Commerzbank	42.35	41.70	42.05	42.45
Daimler Benz	111.95	110.90	111.80	109.90
Degussa	687.50	680.50	687.50	672.50
Deutsche Bank	76.50	76	76.28	74.80
Deut Telekom	30.63	30.45	30.52	31.05
Dresdner Bank	49.05	48.65	48.83	48.65
Fresenius	308	307	305	307.50
Fresenius Med	140.20	139	139	139.70
Fried. Krupp	248.50	245	245.10	248
Gehe	96.50	95.70	96	95
Heidelbg Zmt	128.30	128	128	127.90
Henkel pfd	82	81.50	82	80.10
Hochtief	64.20	62.70	63.30	63.70
Hoechst	69.20	68.65	68.70	69.20
Karstadt	504	502	502	507
Linde	999	991	998	986
Lufthansa	21.95	21.85	21.85	21.75
MAN	408	402	404	403.50
Mannesmann	673.50	665.50	673.50	658.70
Metallgesellschaft	33.20	32.70	32.90	31.99
Metro	123.80	121.60	123.50	120
Munch Rueck R	3675	3625	3628	3600
Preussag	387.20	380	384	379.80
RWE	67.35	66.60	67	65.50
SAP pfd	223	219	220.20	214
Schering	136.40	134	134.70	132.20
Siemens	78.15	77.65	77.78	76.79
Thyssen	282.50	282.20	282.20	285
Veba	92.20	91.80	92.20	90.65
VEW	500	497	500	495
Viag	644.50	642	644.50	630.50
Volkswagen	712	705.50	712	690.50

Helsinki
HEX General Index: 2623.39 Previous: 2613.87

	High	Low	Close	Prev.
Cultor 1	248	240	241	242
Enso A	39.50	38.70	38.70	38.50
Huhtamaki I	220	216	220	218
Kemira	58	56	56.70	57
Kesko	66.80	65.50	66	66.30
Merita A	14.80	14.30	14.40	14.30
Metra B	265	260	262	262
Metso-Serla B	37	35.60	36	36.40
Neste	117.50	114	115	115
Nokia A	302.10	291	297	292.50
Orion-Yhtymae	180	176.50	177	177
Outokumpu A	78.70	78	78	78.50
Rautaruukki	44.20	43.30	43.60	44.50
Sampo Insur	382	375	376	370
UPM-Kymmene	100	98	98.20	99.10
Valmet	82.20	79.50	80	82

Hong Kong
Hang Seng: 13191.50 Previous: 13198.11

	High	Low	Close	Prev.
Amoy Props	10.85	10.65	10.85	10.70
Bk East Asia	35	34.20	34.70	34.20
Cathay Pacific	12.05	11.80	11.85	11.80
Cheung Kong	72.75	70.75	71.50	72.25
CK Infrastruct	21.65	21.25	21.45	21.25
China Light	34	33.50	33.60	33.60
China Ovseas Ld	3.88	3.75	3.78	3.88
China Res Ent	16.80	16.30	16.30	16.70
Chin Estates	8.55	8.35	8.35	8.50
Citic Pacific	39.80	39.20	39.40	39.10
Cons Elec Pwr	18.25	18.20	18.25	18.20
Cosco Pacific	8.75	8.45	8.65	8.60
Dao Heng Bk	39.30	38.30	39.20	38.30
First Pacific	9.75	9.55	9.55	9.50
Great Eagle	33	32.40	32.80	32.70
Guangdong Inv	7.30	7	7.15	6.90
Guoco Group	45	44.50	45	44.40
Hang Lung Dev	16.10	15.80	15.80	16.15
Hang Seng Bk	92.25	90.25	90.75	91
Henderson Inv	8.95	8.80	8.80	8.90
Henderson Ld	73.75	70.75	72.25	73
HKR Intl	12.90	12.55	12.60	12.90
HK China Gas	14.80	14.40	14.80	14.60
HK Electric	27.10	26.85	27.05	26.95
HK Shang Htls	14.60	14.30	14.30	14.30
HK Telecomm	13.50	13.15	13.30	12.80
Hopewell Hdgs	4.85	4.68	4.83	4.73
HSBC Hdgs	168.50	166.50	168	166
Hutchison Wh	59.50	56.50	56.75	58.75
Hysan Dev	29.45	28.95	29.15	29.30
Johnson El Hdg	21.75	21.20	21.50	21.80
Kerry Props	20.20	20	20	20
Natl Mutual	7.30	7.15	7.25	7.10
New World Dev	51.75	49.90	50.25	51.25
N World Infrastr	22.30	21.85	21.90	22.20
Oriental Press	3.58	3.50	3.55	3.50
Pearl Oriental	5.10	4.93	5.05	4.93
Shanghai Indus	27.80	27.15	27.20	27.30
Shangri-La Asia	11.65	11.40	11.50	11.45
SHK Props	92.75	90.50	91.75	92.25
Shun Tak Hdgs	5.35	5.15	5.15	5.20
Sino Land Co.	9.25	8.70	8.75	9.15
Sth China Post	6.60	6.30	6.45	6.55
Swire Pac A	73	70	70.75	72
Tsim Sha Tsui	17.20	17.10	17.20	16.95
TV Broadcasts	31.50	30.40	31.40	30.50
Wharf Hdgs	38.30	37.70	38	38.10
Wheelock	21.20	21	21.10	21

Jakarta
Composite Index: 657.87 Previous: 657.43

	High	Low	Close	Prev.
Astra Intl	5500	5375	5500	5375
Bk Intl Indon	1850	1750	1775	1850
Bk Negara	1300	1275	1300	1275
Gudang Garm	11700	11650	11700	11625
Indocement	3575	3575	3575	3600
Indofood	4900	4850	4875	4875
Indosat	6700	6625	6700	6650
Sampoerna HM	13575	13450	13500	13375
Semen Gresik	7600	7275	7300	7600
Telekomunikasi	4225	4175	4200	4175

Johannesburg
All Market: 6674.56 Previous: 6647.91

	High	Low	Close	Prev.
Amalgamtd Bks	25.85	24.70	24.70	24.95
AngloAm Coal	342	341.50	341.50	341.50
AngloAm Corp	258	255.50	258	254.25
AngloAm Gold	346	342.50	345	345
AngloAm Ind	169	166	166	167.50
Barlow	45.80	44.50	45.20	43.75
C.G. Smith	23.40	22.80	23	23
De Beers	132	130.25	130.25	131
Driefontein	45.80	44.75	45	44.50
Fst Natl Bk	24	23.50	23.50	23.75
Gencor	17.90	17.45	17.60	17.50
GFSA	122	121	121	120
Iscor	3.80	3.62	3.68	3.63
Liberty Hdgs	324	323	324	322.50
Liberty Life	120	119	119	119
Minorco	99	96.75	98.75	98.75
Nampak	19.50	19	19.50	18.75
Nedcor	65.75	65	65.25	65.25
Rembrandt Gp	43	42.25	42.90	42
Richemont	65.25	64	64.50	65
Rust Platinum	66.50	65.50	65.50	65
SA Breweries	123	121.50	121.75	120.25
Samancor	52.25	52	52	52
Sasol	56.50	55	55.25	56
SBIC	184.75	184.50	184.50	184.50
Tiger Oats	67	65.25	66	65

Kuala Lumpur
Composite: 1232.38 Previous: 1236.92

	High	Low	Close	Prev.
Genting	17.40	17.20	17.20	17.30
Mal Banking	27.50	26.75	26.75	26.75
Mal Intl Ship F	7.25	7.20	7.20	7.25
Petronas Gas	10.20	10.10	10.10	10.10
Renong	4.68	4.56	4.60	4.56
Resorts World	12.40	11.90	12.30	11.90
Sime Darby	10.40	10.30	10.30	10.40
Telekom Mal	21.60	21.30	21.30	21.50
Tenaga	12.40	12.30	12.30	12.30
Utd Engineers	24.20	24	24.10	24.10

London
FT-SE 100: 4056.60 Previous: 4087.80

	High	Low	Close	Prev.
Abbey Natl	7.68	7.58	7.63	7.65
Allied Domecq	4.34	4.20	4.24	4.34
Anglian Water	5.94	5.83	5.85	5.85
Argos	7.20	6.15	6.24	7.32
Asda Group	1.23	1.21	1.22	1.23
Assoc Br Foods	4.67	4.61	4.64	4.59
BAA	4.89	4.76	4.77	4.84
Barclays	10.72	10.52	10.67	10.38
Bass	8.27	8.16	8.24	8.21
BAT Ind	4.87	4.61	4.67	4.73
Bank Scotland	3	2.95	2.97	2.95
Blue Circle	3.78	3.63	3.66	3.74
BOC Group	8.82	8.56	8.60	8.79
Boots	6.19	6.10	6.11	6.20
BPB Ind	3.73	3.60	3.64	3.76
Brit Aerosp	12.57	12.40	12.52	12.53
Brit Airways	6.15	5.93	6.07	6.03
Brit Gas	2.25	2.15	2.18	2.21
Brit Land	5.30	5.23	5.27	5.28
Brit Petm	7.10	6.95	7.02	6.93
BSkyB	5.37	4.01	5.36	5.37
Brit Steel	1.56	1.50	1.53	1.53
Brit Telecom	4.06	3.93	3.99	3.94
BTR	2.71	2.52	2.56	2.61
Burmah Castrol	10.92	10.76	10.92	10.87
Burton Gp	1.54	1.51	1.53	1.54
Cable Wireless	4.83	4.66	4.69	4.79
Cadbury Schw	4.85	4.77	4.83	4.87
Carlton Comm	5.04	4.96	5.03	4.92
Coml Union	6.89	6.70	6.82	6.86
Compass Gp	6.22	6.15	6.16	6.18
Courtaulds	3.91	3.83	3.87	3.88
Dixons	5.08	4.98	5.04	5.08
Electrocomponents	4.53	4.48	4.50	4.52
EMI Group	13.47	12.90	12.97	13.46
Enterprise Oil	6.37	6.21	6.32	6.36
Fam Colonial	1.49	1.47	1.47	1.49
Genl Accident	7.72	7.64	7.70	7.63
GEC	4.03	3.96	3.97	4.02
GKN	10.15	9.90	9.95	10.15
Glaxo Wellcome	9.50	8.87	8.94	8.94
Granada Gp	8.63	8.38	8.43	8.61
Grand Met	4.50	4.29	4.32	4.45
GRE	2.71	2.63	2.66	2.69
Greenalls Gp	5.65	5.58	5.59	5.64
Guinness	4.41	4.37	4.35	4.34
GUS	6.02	5.78	5.89	6.01
Hanson	0.87	0.85	0.87	0.87
Hays	5.51	5.45	5.45	5.47
HSBC Hldgs	12.89	12.66	12.76	12.76
ICI	7.49	7.15	7.33	7.50
Impl Tobacco	3.83	3.75	3.80	3.76
Kingfisher	6.44	6.22	6.40	6.43
Ladbroke	2.35	2.28	2.35	2.31
Land Sec	7.72	7.60	7.69	7.69
Lasmo	2.48	2.39	2.45	2.48
Legal Genl Grp	3.92	3.73	3.79	3.88
Lloyds TSB Gp	4.52	4.35	4.42	4.48
LucasVarity	2.27	2.19	2.22	2.28
Marks Spencer	4.83	4.64	4.66	4.83
MEPC	4.65	4.58	4.64	4.60
Mercury Asset	12.30	12.15	12.21	12.30
National Grid	2.08	1.99	2	2.01
Natl Power	4.85	4.67	4.77	4.69
NatWest	7.51	6.81	7.47	7.34
Next	5.54	5.22	5.30	5.53
Orange	1.91	1.86	1.87	1.90
P&O	6.26	6.05	6.17	5.96
Pearson	7.59	7.43	7.58	7.49
Pilkington	1.50	1.41	1.43	1.50
PowerGen	5.97	5.87	5.95	5.86
Premier Farnell	7.15	6.93	7.07	7.02
Prudential	5.10	4.99	5.03	5.02
Railtrack PP	3.90	3.82	3.86	3.87
Rank Group	4.31	4.18	4.25	4.29
Reckitt Colm	7.09	7	7.07	7.09
Redland	3.39	3.20	3.31	3.35
Reed Intl	10.45	10.20	10.28	10.51
Rentokil Initial	4.32	4.28	4.29	4.31
Reuters Hdgs	7.08	6.84	6.96	7.05
Rexam	3.61	3.44	3.46	3.64
RMC Group	9.38	8.85	9.38	9.35
Rolls Royce	2.50	2.39	2.41	2.50
Royal Bk Scot	5.66	5.47	5.52	5.48
RTZ reg	9.20	8.98	9.03	9.26
Royal & Sun All	4.46	4.38	4.41	4.47
Safeway	4.86	3.98	4.05	3.98
Sainsbury	3.93	3.85	3.88	3.89
Schroders	15.85	15.52	15.65	15.65
Scot Newcastle	6.54	6.46	6.49	6.56
Scot Power	3.49	3.40	3.46	3.39
Securicor	2.82	2.74	2.74	2.80
Severn Trent	6.90	6.78	6.81	6.85
Shell Transp R	10.19	10.03	10.11	9.97
Siebe	10.54	10.13	10.20	10.50
Smith Nephew	1.78	1.75	1.75	1.79
SmithKline	7.86	7.79	7.82	7.77
Smiths Ind	[illegible]	7.96	7.99	8.20
Sthern Elec	7.93	7.70	7.78	7.72
Stagecoach	7.35	7.02	7.26	7.85
Stand Charter	7.08	6.80	6.87	6.94
Tate & Lyle	4.84	4.41	4.67	4.87
Tesco	3.49	3.44	3.45	3.42
Thames Water	6.05	5.93	5.98	6.01
3i Group	4.98	4.92	4.96	4.94
TI Group	5.60	5.40	5.46	5.65
Tomkins	2.82	2.76	2.79	2.81
Unilever	13.73	13.50	13.55	13.70
Utd Assurance	5	4.92	4.96	4.98
Utd News	6.85	6.80	6.85	6.87
Utd Utilities	6.45	6.30	6.42	6.28
Vendome Lx uts	5.20	5.13	5.13	5.18
Vodafone	2.51	2.45	2.48	2.51
Whitbread	7.74	7.58	7.72	7.70
Williams Hdgs	3.44	3.35	3.39	3.43
Wolseley	4.66	4.57	4.59	4.63
WPP Group	2.40	2.35	2.36	2.38
Zeneca	16.45	15.85	15.96	16.30

Madrid
Bolsa Index: 456.42 Previous: 453.98

	High	Low	Close	Prev.
Acerinox	18700	17920	18280	18300
ACESA	1800	1750	1755	1765
Aguas Barcelon	5638	5460	5550	5580
Argentaria	5850	5720	5730	5800
BBV	7350	7180	7260	7290
Banesto	1160	1095	1105	1125
Bankinter	20840	19730	19770	19900
Bco Centro Hisp	3595	3430	3495	3450
Bco Exterior	2800	2770	2780	2780
Bco Popular	25500	25080	25480	25200
Bco Santander	8500	8280	8400	8430
CEPSA	4240	4125	4235	4175
Continente	2650	2600	2635	2615
Corp Mapfre	7800	7450	7650	7640
Endesa	9880	9590	9850	9580
FECSA	1295	1255	1280	1260
Gas Natural	32380	30850	32010	30710
Iberdrola	1715	1630	1675	1700
Pryca	2570	2500	2545	2550
Repsol	5580	5430	5510	5340
Sevillana Elec	1325	1285	1295	1285
Tabacalera	6010	5860	5890	5910
Telefonica	3290	3235	3240	3275
Union Fenosa	1245	1180	1195	1225
Valenc Cement	1440	1410	1440	1425

Manila
PSE Index: 3262.14 Previous: 3223.36

	High	Low	Close	Prev.
Ayala B	30	29.50	30	30
Ayala Land	30	29	30	29
Bk Philip Isl	169	168	169	170
C&P Homes	14.50	14	14	14.50
Manila Elec A	130	127	130	127
Metro Bank	670	660	665	665
Petron	9.80	9.60	9.80	9.70
PCIBank	342.50	337.50	337.50	342.50
Phil Long Dist	1450	1405	1450	1375
San Miguel B	119	113	119	116
SM Prime Hdg	7.20	7	7.20	6.90

Mexico
Bolsa Index: 3596.09 Previous: 3578.34

	High	Low	Close	Prev.
Alfa A	39.60	39.00	39.60	39.55
Banacci B	16.90	16.50	16.80	16.50
Cemex CPO	31.40	30.50	31.15	30.90
Cifra C	10.20	9.50	10.08	9.76
Emp Moderna	42.50	40.80	42.50	41.85
Gpo Carso A1	46.90	45.80	46.70	46.80
Gpo Fin Inbursa	29.00	28.25	28.75	28.50
Kimb Clark Mex	162.90	159.80	162.90	160.00
Televisa CPO	107.00	105.80	106.50	107.30
TelMex L	14.58	14.42	14.54	14.60

Milan
MIB Telematico: 11418.00 Previous: 11099.00

	High	Low	Close	Prev.
Alleanza Assic	11490	11200	11430	10900
Bca Comm Ital	3080	2900	2990	2865
Bca Fideuram	3750	3605	3730	3505
Bca di Roma	1271	1230	1253	1230
Benetton	20420	19500	20300	19355
Credito Italiano	1855	1792	1854	1785
Edison	10230	9950	10200	9990
ENI	8690	8390	8685	8385
Fiat	4850	4530	4850	4445
Generali Assic	31600	30050	31500	29650
IMI	14490	13570	14370	13590
INA	2039	1979	2031	1960
Italgas	7000	6740	6920	6850
Mediaset	7470	7240	7345	7300
Mediobanca	9220	8950	9140	8740
Montedison	1197	1166	1185	1160
Parmalat	2580	2490	2530	2520
Pirelli	3100	3020	3080	3000
RAS	15100	14430	14750	14380
Rolo Banca	15000	14670	14950	14870
S Paolo Torino	10050	9580	9805	9600
Stet	7180	6970	7100	6920
Telecom Italia	4370	4235	4315	4270
TIM	4200	4020	4120	4085

Montreal
Industrials Index: 2893.79 Previous: 2858.81

	High	Low	Close	Prev.
Bce Mob Com	43½	42.95	43¼	43¼
Cdn Tire A	21.20	21	21.15	21.45
Cdn Util A	30.95	30.90	30.90	31
CT Finl Svc	32.45	32.05	32.45	32.45
Gaz Metro	17½	17.35	17.45	17.20
Gt-West Lifeco	21.15	20.95	21.10	21¼
Hees Intl Bcp	20¾	20.60	20¾	20.60
Imasco	35.15	34.70	34.70	35½
Investors Grp	27	27	27	27
Loblaw Cos	15.40	15.15	15.35	15.20
Natl Bk Canada	13½	13.35	13.45	13.65
Power Corp	27¾	27	27¾	27.40
Power Finl	24.95	24.80	24.95	24.95
Quebecor B	24½	24.10	24.40	24.35
Rogers Comm B	10.40	10.30	10.40	10½
Royal Bk Cda	49.15	48½	48¾	49.15

Oslo
OBX Index: 555.13 Previous: 560.01

	High	Low	Close	Prev.
Aker A	149	145.50	146	147
Bergesen Dy A	151	145.50	147	150
Christiania Bk	23	22.10	22.40	22.50
Den norske Bk	26.80	26.30	26.30	26.60
Elkem	108.50	104	106	111
Hafslund A	48.20	47.50	47.50	48.50
Kvaerner Asa	320	314	314	317
Norsk Hydro	362	352.50	354	357
Norske Skog A	208	196	199	210
Nycomed A	104	99	100	104
Orkla Asa A	472	466	472	467
Petm GeoSvc	282	271	274	269.50
Saga Petm A	130	118.50	126.50	125
Schibsted	132	126	127	126
Transocean Off	425	415	415	429
Storebrand Asa	38	36.90	37	37.70

Paris
CAC-40: 2327.50 Previous: 2349.08

	High	Low	Close	Prev.
Accor	664	652	656	655
AGF	165	161.10	163	165
Air Liquide	827	815	821	829
Alcatel Alsth	434.50	423.50	423.90	431
Axa	358.90	344.30	346.50	346.50
Bancaire	623	610	610	627
BIC	815	797	803	802
BNP	200.90	197.80	198.50	200.10
Canal Plus	1120	1105	1107	1120
Carrefour	3341	3262	3290	3357
Casino	242.80	239.10	239.10	242.90
CCF	238.20	232.20	236	237.30
Cetelem	626	610	615	616
Christian Dior	850	832	835	851
CLF-Dexia Fran	465	458.10	465	461
Credit Agricole	1250	1250	1250	1250
Danone	757	746	754	754
Elf-Aquitaine	491	476.50	487.90	486.50
Eridania BS	840	823	836	833
Eurotunnel	6.90	6.75	6.85	6.85
Gen. Eaux	706	692	692	708
Havas	370.50	358.10	368.70	358.20
Imetal	790	773	773	779
Lafarge	323	312.50	315.10	319.30
Legrand	925	895	915	917
L'Oreal	1950	1902	1930	1962
LVMH	1440	1390	1408	1443
Lyon. Eaux	504	490	491	501
Michelin B	289.60	281	282.20	290
Paribas A	361	353.10	353.10	354.20
Pernod Ricard	299.50	295.10	299	299.70
Peugeot Cit	555	532	544	555
Pinault-Print	2119	2082	2092	2105
Promodes	1475	1438	1463	1467
Renault	112.40	107	108.50	111.10
Rexel	1629	1600	1622	1598
Rh-Poulenc A	165.90	161.60	162.10	165.90
Roussel-Uclaf	1528	1527	1527	1527
Sanofi	576	530	568	535
Schneider	248.70	243.40	245.40	247.40
SEB	1134	1119	1129	1135
SGS Thomson	378	368	374.50	371
Ste Generale	550	538	539	552
Sodexho	2730	2682	2720	2695
St Gobain	782	760	771	779
Suez	217.90	214.30	216	218.40
Synthelabo	577	535	557	551
Thomson CSF	171.50	167.10	167.70	173
Total B	423.30	410	418	420.50
UAP	139	135.80	137.30	137.40
Usinor	78.35	77.25	78.30	78.35
Valeo	347	340.60	346	348.30

To Our Readers

Due to technical problems at the source the Sao Paulo stock market was not available for this edition.

Seoul
Composite Index: 648.69 Previous: 639.87

	High	Low	Close	Prev.
Dacom	87000	81000	87000	83000
Daewoo Heavy	5500	5030	5220	5180
Kia Motors	16600	15700	16500	16600
Korea El Pwr	27300	26200	27100	26100
Korea Exch Bk	9350	8930	8950	9220
Korea Mob Tel	448000	434000	447000	431000
LG Semicon	19100	19000	19000	19000
Pohang Iron St	40500	39500	40000	40000
Samsung Elec	42900	41100	42300	42000
Shinhan Bank	11800	11400	11800	11800

Singapore
Straits Times: 2242.31 Previous: 2253.73

	High	Low	Close	Prev.
Cerebos Pac	11.40	11.30	11.30	11.30
City Devlts	13.10	12.90	13	13
Cycle Carriage	16.80	16.20	16.30	16.80
Dairy Farm Int *	0.83	0.81	0.82	0.83
DBS	9.10	9	9.10	9.05
DBS Land	5.40	5.35	5.40	5.40
Fraser & Neave	14.30	14	14.10	14.10
HK Land *	2.94	2.89	2.90	2.93
Hong Leong Fin	3.28	3.28	3.28	3.28
Jard Matheson *	6.65	6.55	6.55	6.65
Jard Strategic *	3.74	3.68	3.70	3.72
Keppel	11.30	10.80	11	11.20
Natsteel	3.34	3.30	3.34	3.34
Neptune Orient	1.24	1.20	1.21	1.24
OCBC foreign	18.50	18.20	18.20	18.40
O'Sea Union Bk	6.40	6.40	6.40	6.35
Sembawang	8.15	8	8.05	8.05
Sing Airlines F	13	12.80	12.90	12.90
Sing Petlm	1.76	1.76	1.76	1.80
Sing Press F	28.70	28.30	28.30	28.40
ST Aero F	3.36	3.34	3.36	3.34
ST Ship	1.88	1.87	1.87	1.88
Sing Telecomm	3.30	3.20	3.20	3.30
Straits Steam	4.54	4.44	4.46	4.52
Utd Industrial	1.23	1.21	1.22	1.22
Utd O'Sea Bk F	16.60	16.40	16.60	16.50
Wing Tai Hdgs	4.18	4.12	4.18	4.16

*: in U.S. dollars.

Stockholm
SX 16 Index: 2547.40 Previous: 2588.91

	High	Low	Close	Prev.
AGA BF	108	103.50	105	105.50
ABB AF	797	774	776	794
AssiDoman F	189.50	185	187	190
Astra AF	336	325	329	334.50
Atlas Copco AF	168	163	166.50	164
Avesta F	79	74.50	77	79.50
Electrolux BF	406.50	399.50	401	402
Ericsson BF	230	219.50	224	226
Hennes BF	1015	990	1010	1010
Incentive AF	520	490	505	517
Investor BF	310	301	302	308.50
Kinnevik BF	197.50	192	194	197.50
MoDo BF	202	196	200	203
Pharm/Upjohn	272.50	266	268	270
Sandvik BF	191.50	185	185.50	191
SCA BF	145.50	143	144	145
S-E Banken AF	70	66.50	68.50	70
Skandia Fors F	190	184	185	190
Skanska BF	301	295	298.50	299
SKF BF	159	152	157	159
SSAB BF	123	117.50	118.50	122.50
Stora AF	97.50	94.50	95	97.50
Sv Handles AF	193	185.50	187.50	193
Sydkraft AF	152	150	150	152
Trelleborg BF	112	105	107	108
Volvo BF	162	155	156	160.50

Sydney
All Ordinaries: 2418.58 Previous: 2423.20

	High	Low	Close	Prev.
Amcor	8.15	8.03	8.05	8.07
ANZ Bking	8.09	7.94	7.95	8.05
BHP	18.25	18.08	18.12	18.72
Boral	3.53	3.48	3.50	3.53
Brambles Ind.	23.95	23.40	23.40	23.90
Burns Philp	2.42	2.35	2.40	2.36
CBA	12.25	12.11	12.14	12.16
CC Amatil	13.60	13.38	13.41	13.40
Coles Myer	5.04	4.99	5.03	5
Comalco	6.60	6.55	6.60	6.50
CRA Ltd	19.73	19.55	19.56	19.55
CSR	4.52	4.42	4.44	4.49
Fosters Brew	2.61	2.57	2.59	2.58
GIO Australia	3.25	3.21	3.21	3.20
Goodman Fld	1.67	1.63	1.63	1.67
ICI Australia	13.30	13.20	13.25	13.12
John Fairfax	2.81	2.80	2.80	2.80
Lend Lease	24.78	23.99	24	24.45
Mayne Nickless	8.05	7.92	7.93	8
MIM Hdgs	1.83	1.79	1.80	1.80
Nat Aust Bank	14.78	14.53	14.53	14.66
News Corp	6.87	6.73	6.73	6.79
North Ltd	3.75	3.67	3.70	3.69
Pacific Dunlop	3.10	3.09	3.08	3.13
Pioneer Intl	3.57	3.53	3.55	3.51
Placer Pacific	1.73	1.72	1.73	1.73
Santos	5.16	5.08	5.12	5.10
Southcorp	4.22	4.15	4.15	4.15
Westfarmers	8.94	8.90	8.94	8.90
Wstrn Mining	8.25	8.10	8.14	8.07
Westfield Trt	2.37	2.34	2.35	2.36
Westpac Bking	7.32	7.23	7.25	7.26
Woodside Pet	10	9.60	9.72	9.83
Woolworths	3.10	3.07	3.07	3.08

Taipei
Stock Market Index: 7094.77 Previous: 7010.76

	High	Low	Close	Prev.
Asia Cement	50.50	50	50	50
Cathay Life Ins	179	175	178	176
Chang Hwa Bk	172	165	170	167
China Steel	25.50	25.30	25.40	25.30
China Trust	52.50	51.50	52	51.50
Evergreen	54.50	53.50	54	53.50
Far East Text	28.20	27.80	28.10	27.80
First Bank	178	172	176	173
Formosa CF	43	42.10	42.30	42
Hua Nan Bk	147	140	147	142
Hualon Teijran	24.40	23.90	24.10	24
ICBC	85	83	83.50	84
President Ent	45.80	44.50	44.50	44.80
Taiwan Cemt	59.50	59	59.50	59
Tatung	53.50	53	53.50	53

Tokyo
Nikkei 225: 17303.45 Previous: 18073.87

	High	Low	Close	Prev.
Ajinomoto	1100	1000	1050	1090
All Nippon Air	800	739	750	811
Asahi Bank	862	772	815	862
Asahi Chem	588	540	550	597
Asahi Glass	1050	995	1010	1040
Bk Tokyo Mitsu	2050	1820	1990	2030
Bk Yokohama	705	635	637	705
Bridgestone	2140	2040	2040	2110
Canon	2440	2280	2330	2400
Chiba Bank	727	675	687	730
Chubu Elec	2280	2200	2200	2260
Chugoku Elec	2240	2110	2130	2240
Daiei	806	770	778	835
Daiichi Kang	1560	1280	1350	1550
Daiwa Bank	533	489	519	543
Daiwa House	1440	1390	1410	1440
Daiwa Sec	947	903	937	929
Denso	2610	2430	2570	2650
Fanuc	3490	3210	3330	3500
Fuji Bank	1550	1320	1410	1540
Fuji Photo	3580	3200	3390	3590
Fujitsu	1130	1070	1100	1110
Hitachi	1090	1040	1070	1080
Honda Motor	3080	2950	3050	3080
IBJ	1880	1680	1710	1870
IHI	466	412	433	461
Itochu	570	512	523	552
Ito-Yokado	5440	5260	5330	5200
JAL	585	550	556	589
Jusco	3710	3550	3610	3710
Kajima	709	674	674	710
Kansai Elec	2310	2150	2180	2300
Kao	1310	1290	1310	1330
Kawa Steel	296	285	286	290
KDD	7400	6900	7280	7490
Kinki Nipp Ry	711	695	704	710
Kirin Brewery	1070	970	1010	1080
Kobe Steel	222	211	214	219
Komatsu	862	779	790	872
Kubota	547	501	516	543
Kyocera	7160	7080	7100	7150
Kyushu Elec	2220	2130	2140	2230
LTCB	568	512	520	578
Marubeni	459	421	428	447
Marui	1840	1750	1820	1710
Matsu Elec Ind	1840	1760	1780	1830
Matsu Elec Wk	990	960	960	990
Mitsubishi	1130	950	1010	1130
Mitsubishi Ch	352	317	321	352
Mitsubishi El	684	651	657	679
Mitsubishi Est	1170	1090	1100	1090
Mitsubishi Hvy	867	830	851	890
Mitsubishi Mat	875	850	870	852
Mitsubishi Tr	1430	1240	1290	1380
Mitsui	915	850	850	906
Mitsui Fudosn	1060	1000	1030	1000
Mitsui Trust	793	695	695	795
Murata Mfg	3930	3810	3830	3880
NEC	1440	1350	1370	1430
Nikko Sec	770	730	741	756
Nintendo	8200	7870	8040	8100
Nipp Credit Bk	290	256	264	292
Nipp Express	720	630	656	726
Nippon Oil	571	550	552	571
Nippon Paper	520	500	514	510
Nippon Steel	307	290	297	306
Nippon Yusen	506	466	470	502
Nissan Motor	672	609	623	688
NKK	242	216	226	239
Nomura Sec	1540	1470	1490	1540
NTT	8810a	8500a	8510a	8710a
Obayashi	710	660	671	702
Odakyu El Ry	661	625	634	653
Ono Pharm	3320	3050	3100	3290
Osaka Gas	306	287	290	306
Ricoh	1290	1200	1230	1280
Sakura Bk	709	600	650	699
Sankyo	3160	3090	3100	3140
Sanwa Bank	1460	1300	1380	1440
Sanyo Elec	430	404	414	430
Secom	6940	6610	6620	6890
Seibu Rwy	4010	3500	3500	4000
Sekisui House	1160	1100	1120	1180
Seven-Eleven	6750	6550	6550	6700
Sharp	1640	1570	1590	1630
Shimizu	750	710	713	751
Shin-etsu Ch	2110	2060	2060	2100
Shizuoka Bk	1100	994	1000	1110
Sony	7560	7300	7320	7510
Sumitomo	926	874	894	916
Sumitomo Bk	1470	1280	1370	1460
Sumit Chem	426	395	406	426
Sumitomo Elec	1620	1580	1580	1630
Sumit Metal	258	246	246	260
Sumit Trust	1000	899	899	999
Taisei	539	509	515	535
Taisho Pharm	2640	2560	2560	2600
Takeda Chem	2340	2140	2250	2330
TDK	7480	7100	7230	7500
Tohoku El Pwr	2200	2150	2150	2200
Tokai Bank	1090	900	907	1080
Tokio Marine	1030	1000	1020	1010
Tokyo El Pwr	2420	2260	2300	2440
Tokyo Gas	307	292	292	307
Tokyu	580	528	535	567
Tonen	1330	1220	1240	1350
Toppan Print	1410	1220	1270	1410
Toray Ind	685	651	665	685
Toshiba	713	680	689	713
Toyo Seikan	2640	2380	2400	2520
Toyo Trust	825	725	725	821
Toyota Motor	3180	2960	3080	3200
Yamaichi Sec	482	454	465	483
Yamanouchi	2320	2220	2230	2290
Yasuda Fire	560	530	548	556
Yasuda Trust	440	386	398	450

a: x 100

Toronto
TSE Industrials: 5984.93 Previous: 5959.34

	High	Low	Close	Prev.
Abitibi Price	23.30	22.60	23¼	23
Alberta Energy	32¼	32.05	32.30	32.30
Alcan Alum	49	47.65	48.60	48.30
Anderson Expl	17.90	17.60	17.90	17.80
Bk Montreal	43.40	42.80	43.10	43.60
Bk Nova Scotia	45.15	44.05	44.85	45.40
Barrick Gold	36.60	36.05	36.30	36.65
BCE	65.60	65.05	65.45	65.80
BC Telecomm	29.35	28¾	29¼	29.30
Biochem Pharm	67½	67.05	67¼	67½
Bombardier B	24.70	24.20	24.30	24.90
Brascan A	30.10	29½	30.10	30
Bre-x Minerals	21.05	20.10	20.90	20.65
Cameco	56.55	55.85	56½	56.05
CIBC	58	57¼	57.35	58.55
Cdn Natl Rail	50.70	49.90	50.70	50¼
Cdn Nat Res	38.15	37¾	38.15	37.20
Cdn Occid Pet	24	23	23.80	23.35
Cdn Pacific	36.20	35.60	36.05	36.15
Cominco	35.20	34½	35.20	34.60
Dofasco	26.05	25.60	25.60	25.85
Domtar	12.60	12.45	12.60	12.45
Donohue A	26¾	25.90	26½	26.20
Du Pont Cda A	31.45	31.20	31.20	31.30
EuroNev Mng	36.90	35.10	36½	34¼
Fairfax Finl	300	299	299	300
Falconbridge	30¼	29.20	30.10	29.20
Fletcher Chall A	22¼	21¾	22¼	22.10
Franco Nevada	57	55.70	56	55½
Gulf Cda Res	12	10.95	11.85	10.95
Imperial Oil	63.70	63	63¼	63.60
Inco	45.60	43.35	45¼	44
IPL Energy	40.60	40	40.60	40½
Laidlaw B	17½	17.20	17.40	17.35
Loewen Group	50½	49½	50.40	49.85
Macmill Bldl	18.65	18.10	18.35	18.60
Magna Intl A	75.05	73.30	74.80	73.85
Methanex	13.60	12.90	13½	12.85
Moore	28	26¾	27.70	27.80
Newbridge Net	44¾	40.30	44.10	41.15
Noranda Inc	32.20	30.90	32.10	31.35
Norcen Energy	31¼	30.30	31.05	30.40
Nthern Telecom	94.10	90	93.80	91
Nova	12.10	12.65	13	12.65
Onex	23.45	22.05	23	22¼
Pancdn Petlm	52¾	52	52¾	52.55
Petro Cda	21.30	20½	21¼	20.65
Placer Dome	29½	28.05	29.40	28.20
Poco Petlm	13.65	13.30	13.65	13.35
Potash Sask	117½	116	117¼	118½
Renaissance	49.40	48.60	49.20	49
Rio Algom	34.30	32½	34.30	32
Rogers Comtel B	27.70	27	27.70	27.05
Seagram Co	54.80	53.60	54.30	54.80
Shell Cda A	53¼	52¾	52¾	52.95
Stone Consold	21.65	21.45	21.65	21½
Suncor	57	55½	57	55½
Talisman Eny	48½	47¾	48.45	48.15
Teck B	30	29.55	29.90	29.80
Teleglobe	40.35	39.65	40	40.30
Telus	20.05	19.85	20	20.15
Thomson	29.70	29	29.15	29.85
TorDom Bank	34.80	34.45	34.70	34.95
Transalta	17	16.65	16.95	16.90
TransCda Pipe	23.45	22.40	22.55	23.70
Trimark Finl	42½	41.95	42½	42.30
Trizec Hahn	30.10	30	30.05	30.15
TVX Gold	10.15	9¾	9.95	9¾
Westcoast Eny	23¾	23.10	23¾	23¾
Weston	71½	70	71½	70.05

Vienna
ATX Index: 1130.84 Previous: 1130.22

	High	Low	Close	Prev.
Aust Airlines	1640	1640	1640	1500
Brau-Un Goess	693	681	685	688
Bund Vers Pfd	386	386	490	490
Creditanst Pfd	485.50	478.20	478.20	482.90
EA-Generali	3020	2950	3000	3000
EVN	1667	1647	1647	1655
Interunfall	N.A.	N.A.	N.A.	1475
Lenzing	675	664	665	668
Leykam	276	271.35	273	277
Mayr-Melnhof	557	552	557	550
OMV	1253.40	1171	1249	1175
Oest Brau	750	733	750	741
Oest Elektriz	815	807	811.50	810.50
VA Tech	1701	1688	1695.50	1690
Wienerberger	2092	2060	2070	2080

Wellington
NZSE-40 Index: 2406.81 Previous: 2402.36

	High	Low	Close	Prev.
Air N Zeald B	2.85	2.81	2.83	2.80
Brierly Invt	1.35	1.33	1.33	1.33
Carter Holt ord	3.37	3.35	3.36	3.36
Fernz	4.95	4.92	4.95	4.92
Fisher Paykel	5.60	5.55	5.60	5.55
FC Forest	2.37	2.32	2.32	2.35
Goodman Fdcr	1.82	1.80	1.81	1.78
Indep News	7.00	6.98	6.98	6.98
Lion Nathan	3.63	3.58	3.58	3.57
Nat Gas note	2.25	2.22	2.24	2.25
NZ Refining	N.T.	N.T.	N.T.	28.70
Telecom NZ	7.60	7.47	7.47	7.45
Wilson Horton	11.60	11.55	11.55	11.60

Zurich
SPI Index: 2526.61 Previous: 2539.19

	High	Low	Close	Prev.
Adecco B	359	355.50	359	358.50
Alusuisse R	1145	1122	1128	1145
Ares-Serono B	1321	1300	1300	1320
Baloise Hdg R	2680	2640	2650	2680
ABB B	1664	1641	1646	1663
BK Vision	740	720	724	739
Bobst B	1930	1885	1929	1885
CS Group N	135	132.75	134.50	134.50
Elektrowatt B	536	536	536	536
Fischer B	1439	1420	1429	1433
Hilti PC	898	891	891	892
Holderbank B	1002	990	997	1004
Jul. Baer Hdg B	1420	1406	1412	1419
Nestle R	1444	1428	1438	1438
Novartis R	1550	1532	1541	1547
Oerlikon R	138	136	137.75	138
Pargesa Hld B	1499	1465	1475	1499
PharmVisn B	620	612	617	619
Pirelli B	203	194	194	204
Roche Hdg PC	10650	10530	10590	10630
SBC R	253.50	249.50	251	253.50
Schindler B	1457	1440	1444	1454
SGS B	3310	3230	3240	3290
SMH B	873	856	860	873
Sulzer R	839	826	834	831
Swiss Reins R	1401	1382	1387	1398
Swissair R	1160	1139	1144	1155
UBS B	1182	1145	1170	1180
Valora Hdg R	267	255.50	265	255
Winterthur R	783	768	776	778
Zurich Assur R	367	362	363.50	366.50

The Trib Index

Closing prices.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	148.36	-1.01	-0.68	+12.50
Regional Indexes				
Asia/Pacific	114.29	-3.56	-3.02	-14.87
Europe	158.82	-1.18	-0.74	+14.11
N. America	167.83	+1.35	+0.81	+30.83
S. America	122.60	+0.16	+0.13	+37.69
Industrial Indexes				
Capital goods	174.52	+0.44	+0.25	+31.34
Consumer goods	160.93	-1.02	-0.63	+16.56
Energy	175.58	+1.55	+0.89	+29.46
Finance	110.30	-2.54	-2.25	-13.31
Miscellaneous	161.24	-1.48	-0.91	+18.72
Raw Materials	176.00	-0.73	-0.41	+24.12
Service	137.55	-0.60	-0.43	+14.63
Utilities	141.86	-1.27	-0.89	+11.58

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg Business News.

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NASDAQ

Friday's 4 p.m.

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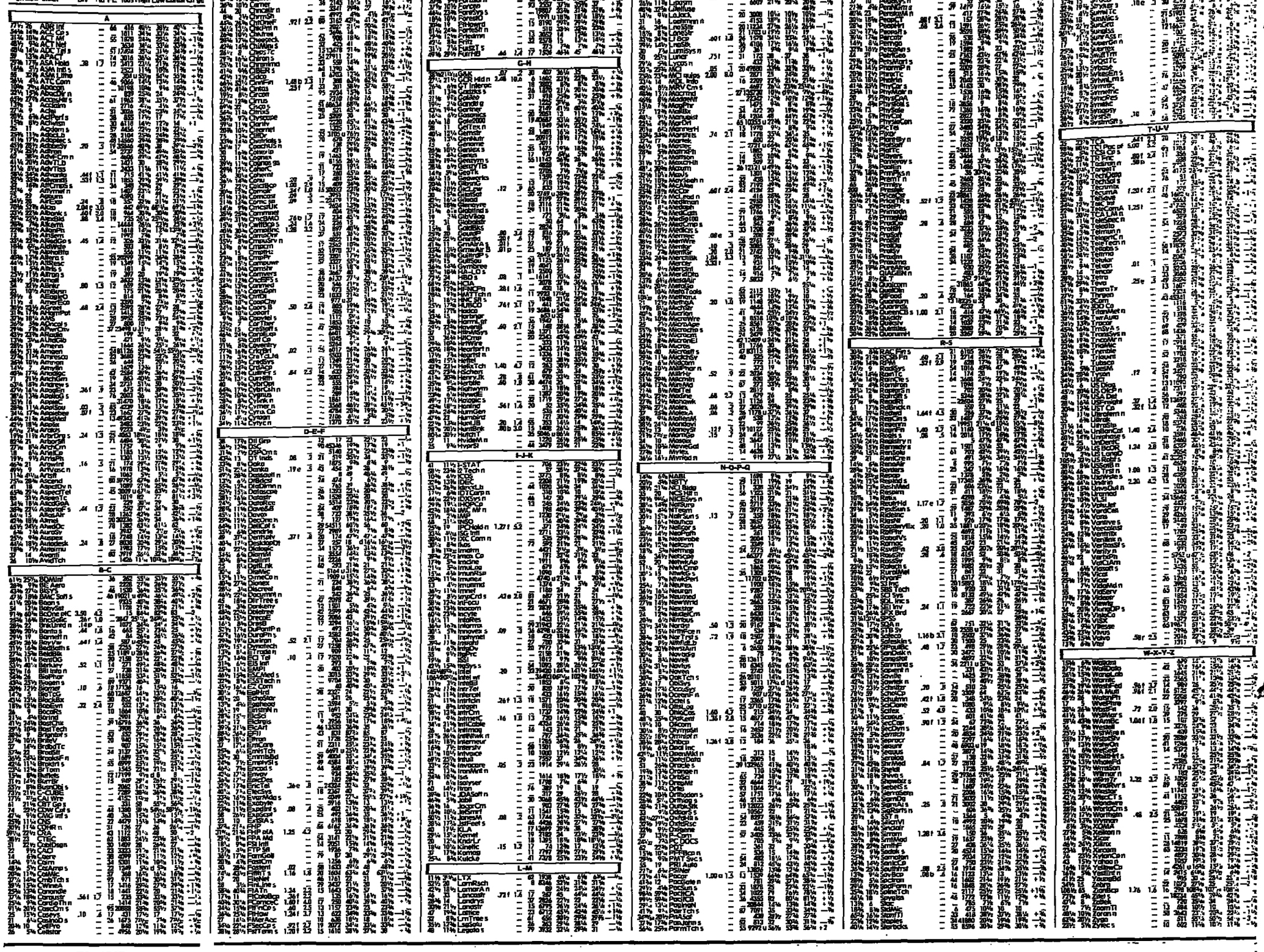
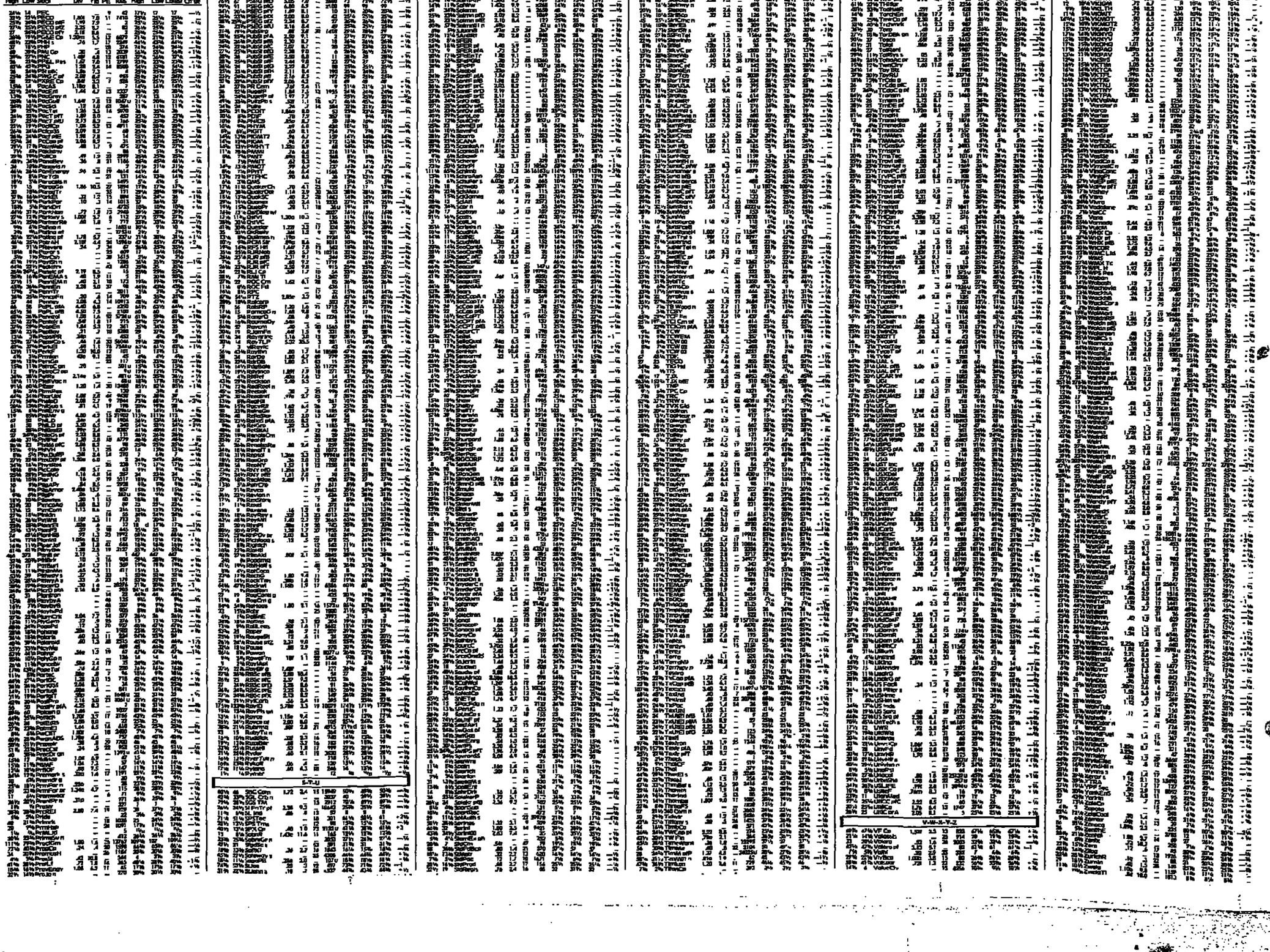
The Associated Press.



NYSE

Friday's 4 p.m. Close

(Continued)



ASIA/PACIFIC

Manila Has Big Plan For Clark Air Base

Agence France-Presse

MANILA — The Philippines on Friday unveiled an $8.1 billion, 28-year master plan to turn the former Clark Air Base north of Manila into a bustling aviation and business center.

The state-run Clark Development Corp. said the plan would involve the construction of an international airport, equipped with a new 4,000 meter (13,200 foot) runway and a terminal capable of handling 50 million passengers a year, by 2025.

It said the airport and a modern rapid railway and road network connecting the former U.S. air base to Manila, which is about 80 kilometers away, would cost about $6.6 billion dollars.

The 2,220 hectare (5,486 acre) airport aims to replace Manila as the Philippines' premier international airport.

Development of the rest of Clark's 4,440 hectare fenced area into a residential, business and tourism enclave is projected to cost $1.5 billion dollars, the agency said.

The blueprint, drawn up by a consortium led by a U.S.-British firm, Tarmac, Black & Veatch Aviation PLC, was presented to President Fidel Ramos on Friday. An official at the palace said the president had approved the plan.

"The master plan for the main zone is an adaptable framework that maximizes functional viability of Clark and phases the development of Clark as the site of the country's premier international airport," said Romeo David, the head of Clark Development Corp.

The development blueprint also contains a business plan that aims to generate $70.6 billion in income in the next 30 years.

The U.S. Air Force abandoned Clark Air Base in 1991 because of the damage caused by the eruption of nearby Mount Pinatubo.

The base was a key launching point for U.S. bombers during the Vietnam War. It also contained a sprawling bombing range extensively used for training by U.S. pilots.

■ Casino Closure Rescinded

The state-owned Philippine Amusement & Gaming Corp. said Friday it had withdrawn its order for Mondragon Leisure & Resorts Corp. to close its casino in the Clark area, Reuters reported.

Philippine Amusement said it had decided to lift its closure order after it and Mondragon agreed to submit their differences to an arbitration committee. Mondragon's casino license was revoked Thursday after claims it had violated an agreement by marketing to Filipino customers.

Wu Asks for Thailand's Help

Compiled by Our Staff From Dispatches

BANGKOK — Hong Kong's Hopewell Holdings Ltd. sought Thai help Friday to secure loans and submitted an eight-point proposal to speed up construction of its delayed $3.2 billion Bangkok rail and highway transit system.

Hopewell's chairman, Gordon Wu, also sought assurances from government officials that a 30-year concession obtained six years ago by his firm to build the system would not be revoked.

In a letter to Thailand's minister of transport and communications, Mr. Wu said the government should provide a "a letter of comfort to lenders" and lend Hopewell an additional 2.5 billion baht ($97.5 million) to bolster the confidence of Hopewell's foreign creditors and enable them to provide additional financing for the project.

The transport and communications minister, Suwat Liptapallop, who was briefed by Mr. Wu on the project's progress, said he had asked Hopewell to give legally binding assurances that the system would be completed by a December 1998 deadline.

In 1991, Hopewell agreed with the State Railway of Thailand to develop the rail and road network. Less than 20 percent of construction has been completed, and last year the government threatened several times to cancel the contract if Hopewell did not speed up work.

On Friday, Mr. Wu defiantly dismissed concerns that his project faced major construction delays.

"What delay? There is no delay," Mr. Wu said, adding that the project would be finished before the 1998 Asian Games.

In the past, the Hong Kong magnate has blamed Thai red tape for delays in approving specifications for the multilevel rail and highway system.

(Bloomberg, Reuters)

BT Plans to Buy Stake in Indian Cellular Firm

Compiled by Our Staff From Dispatches

NEW DELHI — British Telecommunications PLC said Friday that it would acquire a 22.5 percent stake in India's largest cellular telecommunications company, Bharti Cellular Ltd.

BT predicted the deal would have a negligible effect on earnings in the first two years and would be profitable thereafter. It declined to reveal the value of the acquisition, but said it would not represent more than 1 percent of its total assets.

"This a big step forward toward a long-term commitment of the company in India," said Iain Vallance, BT's chairman. India's Department of Telecommunications must approve the sale.

Mr. Vallance said that British Telecom, which proposed in November to buy MCI Communications Corp. for about $23 billion, wanted to take advantage of "new opportunities" in the global market.

BT said Bharti, with more than 65,000 subscribers, had the largest customer base of all Indian cellular operators. *(AFP, AFX)*

THAILAND: *Factory Project Aims to Reverse Migration*

Continued from Page 9

"Our economic advancement has taken a tremendous social price that no one has measured. How do we know that the economic gain is worth the social disasters?"

Families are being torn apart, he said, traditional social structures are collapsing and some villages in remote areas have lost virtually all residents of working age.

One study, based on World Bank figures, found that Thailand has the fifth most skewed distribution of income in the world — the worst outside Latin America.

In Thailand, unlike Taiwan, Singapore and South Korea, economic growth has only widened the gap. Twenty years ago, the richest 20 percent of the population earned just under half of the national income; today they earn 63 percent. The share of the poorest fifth of the population dropped from 6 percent to 3.4 percent.

The small factory here brings the low-paid work of the city back into a traditional village setting. Although its employees are still poor, they have been able to recapture their parents' measured way of life.

The young workers, many of whom have known one another since childhood, chat and visit as if they were at the village pump. In the evenings, they take home armfuls of shoes, distributing them among friends and family members to sew for an additional four cents a pair.

"A lot of them have come back from jobs in Bangkok," said Suphatra Kakarndee, a supervisor. "Before this factory, there was no work for them here."

Lumpan Charnchat, 16, who like most of her coworkers left school after the sixth grade to help support her family, was due to follow her older brother and sister to work in Bangkok. Instead she found work at a sewing machine here. "It's much better to live in the countryside," she said. "I can earn as much money as I would in Bangkok, and I can be close to my parents."

Is Mazda Leaving Minis?

Reuters

TOKYO — Mazda Motor Corp. is likely to cease producing and developing so-called mini passenger cars to save on development costs, industry sources said Friday.

Carmakers do not disclose actual development costs for new models, but the sources said it could be several billion yen.

In 1996, minivehicle sales in Japan by Mazda fell 11.9 percent, to 49,178 vehicles, or 2.9 percent of the market.

On Friday, the economic daily Nihon Keizai Shimbun said Mazda, which is 33.4 percent owned by Ford Motor Co., would stop production of 660 cubic-centimeter minivehicles and would begin selling vehicles produced by Suzuki Motor Corp. under its brand name next year.

Investor's Asia

Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	13,191.50	13,198.11	-0.05
Singapore	Straits Times	2,242.31	2,253.73	-0.51
Sydney	All Ordinaries	2,418.50	2,423.20	-0.19
Tokyo	Nikkei 225	17,303.65	18,073.87	-4.26
Kuala Lumpur	Composite	1,232.38	1,236.92	-0.37
Bangkok	SET	840.50	843.22	-0.32
Seoul	Composite Index	648.69	639.87	+1.38
Taipei	Stock Market Index	7,094.77	7,010.76	+1.20
Manila	PSE	3,262.14	3,223.36	+1.20
Jakarta	Composite Index	657.87	657.43	+0.07
Wellington	NZSE-40	2,406.81	2,402.36	+0.19
Bombay	Sensitive Index	3,418.32	3,362.39	+1.66

Source: Telekurs — International Herald Tribune

Very briefly:

- **Morgan Stanley & Co.** said 23 employees, including two senior executives, had resigned from its offices in Hong Kong and Japan and its equities departments in London and New York after the securities company paid annual bonuses this month.
- **China**'s bankers, who meet next week in Beijing, are expected to propose measures that would tighten controls and curb irregularities on the country's financial markets, particularly insider trading and institutional manipulation of the markets.
- **Softbank Corp.** of Japan plans to focus new investment on its JSkyB satellite broadcasting venture and small Internet-related companies, putting on hold a recent acquisition spree.
- **Philippine Commercial International Bank** has formed a joint venture with **CCN Group Ltd.** of Britain to provide credit card and financial services in Asia.
- A **Hong Kong** court fined an unidentified garment manufacturer 398,004 Hong Kong dollars ($51,445) for affixing "Made in Hong Kong" labels to textile products made in China before shipping them to the United States.
- **Highlands Gold Ltd.**'s deal to sell a 25 percent stake in the Porgera gold mine in Papua New Guinea to **Placer Dome Inc.** of Canada collapsed after the Australian mining company failed to gain support from institutional investors for a plan to spin off other assets into a new company. *Bloomberg, Reuters*

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TODAY PAGE 7

Personals

MAY THE SACRED HEART OF JESUS be adored, glorified, loved and preserved throughout the world, now & forever. Sacred Heart of Jesus, pray for us. St. Jude, Worker of Miracles, pray for us. St. Jude, Helper of the Hopeless, pray or us. Say this prayer nine times a day & by the ninth day your prayer will be answered. It has never been known to fail. Publication must be promised. P.K.

MAY THE SACRED HEART OF JESUS be adored, glorified, loved and preserved throughout the world, now and forever. Sacred heart of Jesus, pray for us. Saint Jude, worker of miracles, pray for us. Saint Jude helper of the hopeless, pray for us. Amen. Thank you. B.

Announcements

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AU 11 JANVIER 1997
Prix Hors TVA en devise locale (traduction disponible sur demande)
Remplace les baremes anterieurs

FRANCE (zone C) en FRI - TVA 20,6%
GO: 4,02 FOD*: 2,48
SCS*: 5,50 SCSP: 5,35

UK (zone C) en LA - TVA 17,5% (Roul 8%)
GO: 0,5517 FOD*: 0,3476

ALLEMAGNE (zone I) DM# - TVA 15%
ZONE I - G :
GO: 1,10
ZONE II - I :
GO: 1,10 SCSP: 1,41
ZONE III - F :
GO: 1,05 SCSP: 1,39
ZONE IV - F :
SCSP: 1,40
ZONE IV - G :
GO: 1,10 FOD: 0,65

BELGIQUE en FBI - TVA 21%
GO: 23,22 FOD: 11,90
SCS*: 33,08 SCSP: 31,07

HOLLANDE (zone2) NLG# - TVA 17,5%
GO: 1,324

LUXEMBOURG en LUFI - TVA 15%
GO: 20,17

ESPAGNE (zone A) en PTAS# - TVA 16%
GO: 86,55
SCS*: 102,41 SCSP: 103,26

* Usage reglementé

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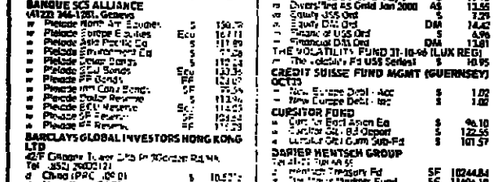

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Herald Tribune INTERNATIONAL

MONEY

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MONDAY: SPORTS

When Hard Times Look Good: The Wily Art of Distress Investing

By Judith Rehak

EUROTUNNEL, Euro Disney SCA, Kmart Corp., R. H. Macy & Co. These diverse companies have something in common: They have all been — or still are — financially distressed. Around the stocks and bonds of such troubled companies circle vulture investors, practitioners of the art of paying rock-bottom prices for securities of companies in dire financial straits. Unlike airborne buzzards, these vultures hope their targets will revive, offering huge rewards to investors who took positions in the companies' darkest days.

Vulture investing is in its infancy in many countries, where bankruptcy carries a considerable stigma. But in the United States, billion-dollar private partnerships specialize in distressed investing for institutions and wealthy individuals, and even the average investor can get a taste of it via certain mutual funds. Such funds look attractive right now, because they have little correlation with the American stock market at a time when many strategists are warning that it is overvalued and riding for a fall.

Moreover, despite their seemingly dicey investments, well-managed funds that have some of their assets in distressed securities can be solid investments.

"People without a lot of knowledge think they are risky, because the companies are in bad financial situations, and there are so many negative factors, but in fact the opposite is true," said Steve Savage, editor of the Value Line Mutual Fund Survey.

"When you own a group of these investments, the prices are already so depressed there's not much downside risk," he added. "The plays tend to be more opportunistic and independent of the market."

Vulture investing is not something to try on your own. It requires intensive analysis, and a strong stomach, since "in order to do what we do, the interim outlook must look very bad to the outsider," said Martin Whitman, manager of the Third Avenue Value Fund.

A year ago, for example, Mr. Whitman bought debentures of Kmart, a discount retailer that most observers saw as headed straight for bankruptcy court, for 74 cents on the dollar. Instead, the company refinanced its debt, and Mr. Whitman sold nearly all his holdings at a higher price, plus collecting a large chunk of interest.

VULTURE INVESTING 2

"It was a pretty good score," he said.

Value Line reported that his return was more than 40 percent.

Another strategy of Mr. Whitman's is to buy a group of stocks in a bombed-out category. In mid-1996, he loaded up on $54.7 million worth of computer-equipment stocks after their prices plummeted. The stake comprises 12 companies, based on his premise that it's too difficult to sort out the winners from the losers. The group is currently valued at roughly $83.4 million.

"I'm not selling yet," Mr. Whitman said.

While Third Avenue Value sticks close to home in its search for distressed securities, the five Mutual Series funds run by Michael Price, another well-known vulture investor have been shopping in some of Europe's better-known financial debacles. Peter Langerman, a senior vice president, said the funds had bought debt in beleaguered Eurotunnel from banks for less than 40 cents on the dollar, its current price.

Eurotunnel's problems underscore another requisite of vulture investing: patience. Most such situations take a year or two to work out.

"The outlines of restructuring for Eurotunnel have been agreed upon," Mr. Langerman said. "It's not a done-deal yet, and they've had more problems like the recent fire, but we think ultimately there's value there."

The Mutual Series funds, part of the Franklin Templeton family, also recently purchased corporate bonds of Olivetti SpA, the Italian electronics company, which has been suffering financial difficulties. Mr. Langerman described the securities as only "mildly distressed" compared to the Eurotunnel bonds, but they were still bought at a discount relative to face value.

"We've done some pretty time-intensive analysis, and Olivetti is selling off assets, so we think they're an attractive investment," he said.

Olivetti's stock soared more than 7 percent this week amid expectations that it was close to selling its unprofitable personal computer unit.

The Mutual Series funds have also invested in other distressed securities in Italy on a private basis.

MR. LANGERMAN said that his company had been looking at opportunities in the depressed French real-estate market as well, although it has not committed any money. A number of private partnerships from the United States have already snapped up bad mortgage loans at deep discounts from French banks and insurance companies, hoping to replicate the hefty profits they made in the bailout of the American property market in the early 1990s.

Russell Kinnel, an analyst with Morningstar Inc., the Chicago-based mutual-fund research concern, noted that even though the Mutual Series funds and the Third Avenue Value Fund are managed by two of the most successful vulture investors in the business, they will probably not have more than about 15 percent of their assets in distressed securities at any time.

The Fidelity Capital & Income fund once held as much as 40 percent of its assets in distressed securities. But it has cut back to as little as 5 percent, after the once-high-flying vehicle had some disappointing returns and its trio of managers left to form their own firm and run private partnerships. Now more conservatively run, it gained 11.6 percent last year.

Another fund, the $10 million Prudential Distressed Securities Fund, which was rolled out in mid-1996, got off to a shaky start, down 5.7 percent at year's end, while Third Avenue Value and four of the five Mutual Series funds posted 20 percent-plus returns for 1996.

Leigh Goehring, the Prudential fund's manager, attributed nearly all the loss to one holding, Grant Geophysical Inc., an oil-services company that was forced into bankruptcy. In sharp contrast to Mr. Whitman's and Mr. Price's funds, Prudential is marketing the vehicle as a high-risk investment that will invest exclusively in distressed securities.

Investors shopping for a taste of vulture investing might heed the advice of Mr. Kinnel: "It's a different risk, and for something like that you want someone who is very skilled, not a fund that just comes out and says they're vulture investors."

For information on the Fidelity Income & Capital Fund, call 44 1732 361 144, or, in the United States, 1 800 544 8888, or consult local directories in other countries.

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For information about the Third Avenue Value Fund, call 1 212 888 6685, or, in the United States, 1 800 443 1021.

Q & A / **Martin Whitman**

A Manager Who Says 'the Sky's the Limit' When the Stocks Are Down

Martin Whitman, manager of the $644 million Third Avenue Value Fund, says that only fools make investments based on market conditions. Rather than tracking stock indexes, he looks for companies plagued by severe short-term problems that batter their equity to about half the price that Mr. Whitman thinks the company's shares are worth.

This bottom-up strategy has paid off. The fund has averaged an annual return of 22.32 percent since its inception in 1990 and has more than doubled in size over the past year.

After several false starts in establishing a family of funds, Mr. Whitman, 72, will soon start a fund for small companies, which he expects to attract at least $100 million. Two other funds also are in the works.

He recently spoke from his office in New York with Aline Sullivan.

Q. Could your approach work for private investors?

A. Sure. Wall Street is full of short-term speculators predicting short-term earnings per share or interest rates. That's top-down garbage.

What we do is what most businessmen do. They don't pay any attention to the market.

Before we buy shares in a company, we have to be sure that the business has exceptional financial strength and that it is reasonably well-managed. And we stick with businesses that we understand.

Q. How has this strategy been affected by the recent bull market? Does it make undervalued stocks harder to find?

A. If you look hard enough, you can always find something. We have made a major commitment recently in semiconductor equipment manufacturers, and we are still buying. These are companies that have lost momentum and will go through a protracted period of tough times, maybe two or three years. But after that, the sky's the limit.

We are still experiencing technological revolutions and the demand for data chips is going to be huge.

Q. What else are you buying? At last count, semiconductor-equipment manufacturers accounted for 12.4 percent of the fund's portfolio, followed by the financial insurance and security brokerage sectors, which each accounted for about 8 percent. Is that composition changing?

A. We are buying some depressed small-cap and some high-tech stocks. Stocks get very cheap when they lose momentum.

That's happened at Sequoia Computers, which is trading at about $2 per share now. At that price, we would buy it till the cows come home.

Q. You have been quoted as saying that money management is the most attractive business. Do you still believe that?

A. Absolutely. It is inherently an all-cash business and is facing dramatic changes.

In the U.S., the liberalization of the Glass-Steagall Act will mean a major revolution in financial institutions. The big money banks will all want to take over broker/dealers within the next three to five years.

So we have bought shares in FSA (Financial Security Assurance Holdings), Legg Mason and Liberty Financial. Of course, the more shares I own in these companies, the longer the process will take!

Q. Do you invest in companies primarily because you expect them to show strong growth or because they are possible takeover targets?

A. We almost always expect them to be taken over. But we also expect strong growth from everything we buy.

The current exception is the 50,000 shares in Ford that we bought recently because the company may sell its non-automotive operations.

Everything else we expect to grow dramatically.

Q. How will your investment strategy be affected if the stock market turns down?

A. Falling markets will make life easier.

Q. What do you expect the stock market to do?

A. I don't have a clue.

Q. Do you still expect the fund to return more than 20 percent a year?

A. No one with any brains tries to outperform markets consistently. The thing to worry about is being wrong about the business and I am genuinely worried.

I haven't had any big disappointments in a long time. Even I am not that good.

Q. You've mentioned a target of $1 billion in assets under management for the fund. Has the growth so far changed the way you invest?

A. While we are still small as funds go, we are in some 15 situations where we own more than 5 percent of the stock outstanding. That gives us more say.

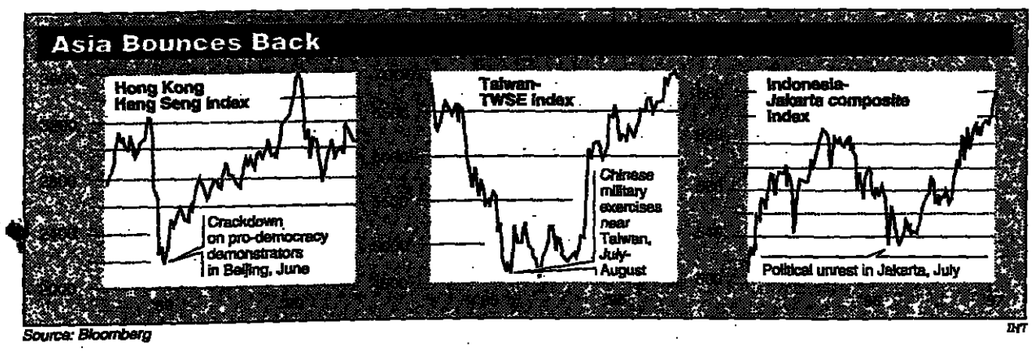
We haven't opposed any management lately, but we are always active investors.

Q. The new small-cap fund will be run by Curtis Jensen, 35, who was one of your best students at the Yale School of Organization and Management. Do you have any retirement plans?

A. As long as I can't be a tennis pro, what is my choice?

I am still teaching at Yale and have a book coming out in August. So I'm staying put.

Martin Whitman



Source: Bloomberg

In Asia, Unrest Can Spell Opportunity

By Philip Segal

POLITICAL UNREST in Asia has a history of upsetting foreign investors, but those pragmatic souls who look beyond the newspaper headlines often find silver linings.

Jardine Fleming Securities, the biggest money manager in Hong Kong, has a strategy of buying securities when there is civil unrest, hoping for gains after calm is restored.

Just days after political trouble in Indonesia last year, for example, a report by Jardine Fleming's closed-end Indonesia Fund dismissed the rioting in Jakarta as having no fundamental effect on company earnings over the long term, since the major question surrounding Indonesia is not the economic system, but rather who will succeed President Suharto.

The report argues that "historically, almost every political disturbance in Asia has represented a buying opportunity for long-term investors."

The document added that "The reasons are quite consistent: political disputes have often been over either personalities or the rate of change, not the system or change in itself."

Investors who followed Jardine Fleming's advice at the time would have been pleased. Major stocks that comprise Jakarta's composite index fell by as much as 8 percent before recovering days after the riots, and the index rose by more than 19 percent from that point to the end of the year. (The Jardine Fleming fund underperformed the index by 4 percent).

THE LIST OF major buying opportunities goes on: In Hong Kong, after the Chinese crackdown on democracy demonstrators in Beijing in June 1989, the Hang Seng Index fell below 2,100, but by the end of 1989 had rebounded to 2,837, an increase of more than 35 percent.

In March 1996, Taiwan's major index was depressed after China carried out military exercises off the island. China was furious at Taiwan for conducting democratic presidential elections.

As the tension mounted, many investors dumped shares, but after the elections the market rose more than 47 percent by year's end from its low point.

The same thing happened to stocks following violent unrest this decade in Thailand and India. If stocks have since performed sluggishly in those markets, the culprits have not been bombs or riots, but rather poor electronics exports or a bad investment environment due to misguided fiscal policy.

WHEN THE KEY INDEX on the Bombay exchange soared 5.7 percent in a single day at the end of 1996, it was not because violence had been quelled. Rather, it followed news that the Indian government would immediately remove a capital-gains tax on sales of stock in state-owned companies.

Why do fund managers bail out in times of crisis, time and again?

"What you always do in a crash is you go back to your home," said a manager in Hong Kong.

"It's a lot easier to explain to your trustees that Wal-mart or Marks & Spencer let you down if you're a British manager. But if you get hurt on a Taiwan stock, your people will ask 'What were you doing in Taiwan?' "

Buying when there is blood in the

Continued on Page 17

Far-Flung Adventures in Real Estate

By Barbara Wall

ENTICED BY low real-estate values and the prospect of substantial capital appreciation, international investors are snapping up luxury second homes and investment properties in increasingly offbeat locations.

"Spain and the South of France are still popular with European and American buyers, but many people are beginning to realize that they have to venture farther afield to ferret out exceptional bargains," said Olof Helman, a spokesman for Tee Marbella, an international real-estate agency based in Britain.

"Goa, in India, is very popular at the moment because overheads are minimal and property values low in comparison to other holiday destinations," he said. "Moreover, house prices have risen by around 40 percent in the past 12 months and the general sentiment is that this trend will continue for some time yet."

Foreigners were not allowed to buy property in India until about 18 months ago. But today, Goa is being promoted as the main tourist destination in India, and developers have been granted permission from the government to build in the coastal areas of Anjuna, Candolim and Calungate to meet the growing demand for investment property from European and Asian buyers.

Mr. Helman said that a studio apartment along the Baga River, near the popular beaches of Baga and Calungate, could be purchased for about $18,000. A villa overlooking the Vagatu beach sells for $50,000 to $80,000, he added.

The associated costs of buying property in India are low by Western standards — less than 2 percent of the purchase price — and developers often sell the property before completion so that the new owners avoid stamp duty.

If the buyer intends to rent out the apartment, he can sign an agreement under which the developer manages the apartment on the owner's behalf and guarantees to pay about $1,400 per year. Owners can earn substantially more if they handle rental arrangements themselves, but this could be difficult for an owner living abroad.

There are risks involved in buying property in a foreign country, not least of which are exchange-rate fluctuations. If you are buying property in India, you may have a problem repatriating the proceeds from a future sale: Foreign investors are allowed to take out of the country no more than what they brought in. There are ways around this rule, but they may require costly legal advice.

South Africa also has opened to the tourist trade in recent years and, as a result, property values there have risen. Although it is still possible to find bargains in major cities and in coastal areas, analysts say that an investment in South African real estate is strictly for the adventurous.

"Many American and British clients have sold their second homes in Europe and bought property in Cape Town, Constantia and in the beach resorts of Sea Point and Plettenberg Bay," said Christopher Wilson, director of The Wilson Group, a London-based property finding agency. "The cost of living in South Africa is lower than in traditional holiday destinations, such as the South of France, and property there is significantly less expensive."

A three-bedroom apartment in Cape Town can be purchased for about $250,000 — the price of a studio in resort areas in the South of France — while a luxury five-bedroom villa in Constantia, which is within commuting distance of Johannesburg, can sell for a minimum of $500,000. At the top end of the property spectrum, a colonial-style manor house with a swimming pool will command a price of $1 million.

"Although real-estate values in South Africa are increasing by around 15 percent per annum, we advise clients to invest only what they can afford to lose," Mr. Wilson said. "Nelson Mandela's imminent retirement and rising crime figures in the major cities continue to present a threat to the country's economic and political stability."

For those who prefer to invest in a more conventional market, the French government has recently started a series of programs to attract international buyers to the French property market.

THE PROGRAMS "offer investors the opportunity to buy student lodgings, which are then let to the student authorities for an index-linked, guaranteed return of 7.39 percent per annum net of expenses and tax," said Frank Rutherford, the director of Rutherford's estate agents, which has offices in Britain and France. "One such program in Lyon offers studio apartments for sale at 230,000 francs, or around $45,000. Similar programs are in operation in Aix-en-Provence and Montpellier."

Graham Baigent, editor of Overseas Property Match, an international property journal published in Britain, said that Ireland was worth considering for those seeking a second home and an investment property.

"Property in Ireland offers excellent value for money," he said. "A traditional farmhouse, with one acre of land attached, in the picturesque region of County Kerry, recently sold for $50,000."

"As well as being inexpensive, a house in Ireland could represent a sound investment for the future," Mr. Baigent added. "Financial aid from the European Union has helped kick-start the Irish economy and house prices are steadily rising. Real estate values may get an added boost if the peace negotiations get back on track."

THE FUND PERFORMANCE FOCUS

The I.H.T. would like to remind its readers that past performance is no guarantee of future results and that the value of an investment and the income from it can go down as well as up.

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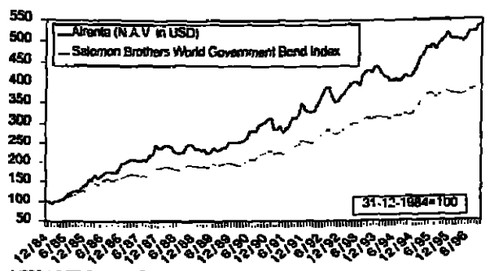

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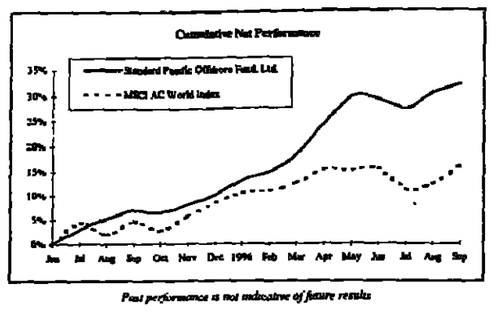

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DATE	FUND	INDEX
Jul. - Dec. 1995	16.15%	8.58%
Jan. - Sep. 1996	15.74%	6.95%
Jul. 1995 - Sep. 1996	31.89%	16.13%

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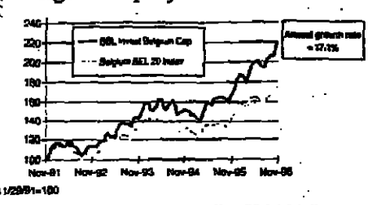
2

BBL Invest Belgium
Belgium Equity Fund



BBL Invest Belgium manages assets exceeding BEF 9.2 billion (US$ 295 million). In compliance with its investment objective, BBL Invest Belgium invests mainly in blue chips. Shareholders benefit from BBL's in-depth knowledge of the domestic market scene and the outstanding returns it has managed to achieve, as shown in the chart above.

Manager's Report for the last quarter of '96: FED Chairman Greenspan's *gentle admonishing against irrational exuberance sent chills* through equity and bond markets around the world, triggering an *uptick of bond yields. Its impact was short-lived, though. For one thing,* several indicators suggest that the US economy is running out *of breath, thus allaying fears of a round of monetary tightening.* The Belgian equity market resumed its advance, spurred by the cyclical *stocks. In less than three months, net asset value was up 7.6%.*

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For further information please contact Bruce Thatcher:

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5

GLOBAL ASSET MANAGEMENT

Fund	Launch	% Change Since Launch	% Change 5 Years	Size (m)
GAM Amalgam	01-Oct-81	+61.96	+68.68	£ 33.6
GAM Far East	31-Dec-86	+261.25	+65.18	£ 77.5
GAM North America	02-Jan-85	+421.95	+176.97	£ 34.4
GAM Sterling European	09-Dec-88	+108.78	+88.90	£ 74.3
GAM Sterling & Int.	09-Jan-84	+699.66	+145.54	£ 70.5
GAM UK Diversified	15-Aug-90	+182.03	+116.85	£ 45.3
GAM Asia	06-Oct-94	-10.35	–	DM 52.3
GAM Europe	12-Oct-92	+45.25	–	DM 39.5
GAM Orient	16-Sep-91	+77.15	+65.91	DM 88.5
GAM Total Bond	31-Dec-92	+18.27	–	DM 18.1
GAM Tokyo	04-Mar-92	+66.30	–	DM 280.2
GAM Universal D.Mark	02-Aug-90	+157.41	+115.22	DM 384.0

(Source – Micropal and GAM as at 31/12/96)

For further information please contact:

GAM Fund Managers (Isle of Man) Limited
11 Athol Street, Douglas, Isle of Man IM99 1HH, British Isles
Client Services: 0800 919927
Tel: 44 1624 632 632 Fax: 44 1624 632 813 GAM on the Internet: info@gam.com

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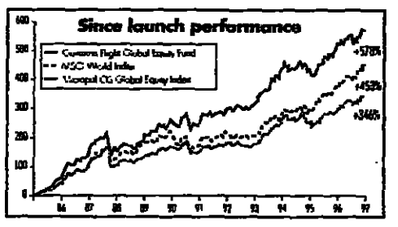

- The Guinness Flight Global Equity Fund, a Guernsey-based distributing fund, aims to achieve *capital growth through investing in an international* portfolio of equities.
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For further information, please contact our Investor Services Department in Guernsey on:

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Internet: http://www.guinness-flight.co.uk

Source: Micropal, offer to offer, gross income reinvested in US$ 1.2.95 – 1.1.97. Five year performance to 1.1.97: +71.07%. Past performance is not necessarily a guide to the future. Fluctuations in the value of the underlying securities and the income from them and changes in interest and exchange rates mean that the value of this investment and the income from it may fall as well as rise and is not guaranteed. For your protection telephone calls may be recorded. Issued by Guinness Flight Global Asset Management Limited, regulated by IMRO and the Personal Investment Authority. 3331-97

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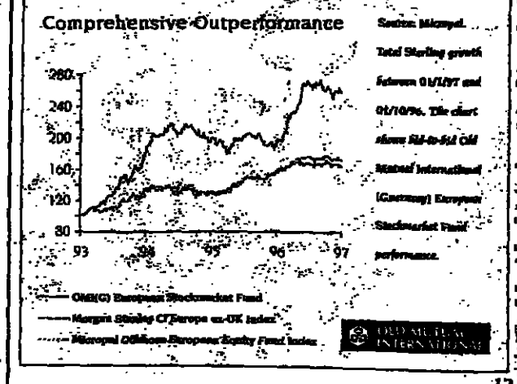

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+ 95,5 %*

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ORBITEX Group of Funds

13

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Fund	Launch Date	% Change Since Launch	% Change 5 Years	Fund Research Rating†
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Emerging Companies	8.4.85	+718.8	+123.7	AAA
American Growth	21.4.84	+1187.0	+122.3	AAA
Latin American Growth	31.1.85	+19.8	—	—
Far Eastern Growth	8.11.86	+459.4	+148.2	AAA
Japanese Growth	30.11.91	+3.1	-0.5	AA
Asian Smaller Markets	8.3.93	+100.4	—	AA
UK Growth	24.10.87	+368.9	+130.2	AAA
European Growth	8.11.88	+203.3	+83.9	—

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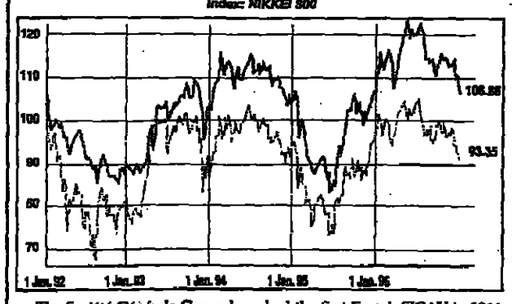
14

SOGELUX FUND
EQUITIES JAPAN

Net Asset Value per share evolution
(Base 100 Starting Period) Dec. 31, 1991 to Dec. 31, 1996, (Currency: JPY)
Index: NIKKEI 300



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IHT 11/1/97

THE MONEY REPORT

Family-Run Companies Are Profitable Affairs

By Marcia Vickers

STORIES ABOUT family businesses often concern greed, infighting and wayward siblings. But such pyrotechnics are apparently not the whole picture: Over the long term, large, publicly held family companies substantially outperform their peers.

From April 1976 to March 1996, the stocks of the 209 largest U.S. family businesses earned an average annual return of 16.6 percent a year, compared with 14 percent for the companies in Standard & Poor's 500 index, according to a study by Robert Kleiman, an associate professor of finance at Oakland University in Rochester, Michigan.

Mr. Kleiman, who conducted the research with Netmarquee Online Services, an Internet content company based in Needham, Massachusetts, defined family businesses as those with two or more officers or directors with the same last name and with insider ownership of 10 percent or more.

The researchers ranked the companies by total return, which includes gains in stock price as well as dividends. Calculations were adjusted to screen out any performance differences that might result from company size or stock volatility.

The top five family companies during the 20 years were Berkshire Hathaway Inc., the holding company of Warren Buffett, with average annual return of 38.1 percent; Manor Care Inc., a nursing-home operator founded by the Bainum family of Silver Spring, Maryland, 34.5 percent; Comcast Corp., the Philadelphia cable-television company founded by the Roberts family, 32.6 percent; Mirage Resorts Inc., based in Las Vegas and run by the Winn family, 30.7 percent, and Tyson Foods Inc., the poultry producer controlled by the Tyson family of Arkansas, 30.2 percent.

There are some qualifications to the results. For one, researchers used back testing, which starts at a given date and analyzes performance in comparison with market averages for a previous time period. The method is common but criticized as overstating company performance.

The study also found that for periods shorter than 20 years, the family businesses were not consistently superior. For the five years ended December 1995, for instance, they had a total return of just 12.62 percent, versus 14.63 percent for the S&P 500.

Still, family stocks turned in impressive long-term results — and analysts cited several reasons why.

"Family-owned businesses, since they wish to preserve the family's ownership, tend to take a very long-term perspective rather than attempting to maximize earnings per share quarter by quarter," Mr. Kleiman said.

There is a bottom-line impetus, too. Many family-business managers have much of their net worth tied up in the companies. That may be a reason those businesses reinvest more of their earnings than do other enterprises — 70 percent to 55 percent.

But succession fights, family eccentricities and other pitfalls can hurt a company. For that reason, investors in these businesses should follow a few guidelines, Mr. Kleiman suggested.

For example, he said, at least half the directors should be from outside the family and outside the company. That has not been the case at Archer-Daniels-Midland Co., the agricultural giant that pleaded guilty to federal price-fixing charges last fall.

Mr. Kleiman also said that investors should avoid companies with no clear plan of succession, especially if the chief executive is 65 or older, and companies where an elderly head of family is still making every decision.

Most important, family control can be a double-edged sword, even at top companies. Consider William Wrigley Jr. Co., the chewing-gum maker founded in 1891 in Chicago. From 1986 to 1995, it averaged a 28.1 percent annual return, putting it among the top five companies of the 209 studied.

"Not every year is a good one, but one of our jokes in-house is that you never sell Wrigley," said Anne Selkovits, a portfolio manager at Gray Seifert, a money management firm holding shares in the company.

Few people doubt that the Wrigley family, which controls about 56 percent of the voting stock, deserves the credit. Still, some wonder if a Wrigley family trait — fiscal conservativeness — may somewhat dampen the good results. For instance, the company rarely raises its prices.

The price of a single pack of gum has been 25 cents for 10 years and in the six decades from 1911 to 1971, the price remained at 5 cents.

To test the study's conclusions, wealthy investors can buy shares of all the 209 family stocks, which Netmarquee tracks on the Internet (www.nmq.com). Or they can make the $2 million minimum initial investment in the one mutual fund that focuses on large family-run companies, the Pitcairn Family Heritage fund.

New York Times Service

Legg Mason Manager Values Tradition and Trends

By Roy Furchgott

FROM HIS nondescript, button-down attire to his low-turnover fund portfolio, Legg Mason's William H. Miller 3d is hardly a follower of fashion.

But in a year when investors turned from mutual funds focusing on hot-growth companies to funds emphasizing solid performers, Mr. Miller found himself, his funds and his value-investing method very much in fashion.

Mr. Miller manages or co-manages three Legg Mason stock funds, whose combined $3.2 billion in assets represent more than half the total of the company's 17 stock and bond retail funds.

All three soared to top rankings for the year: The flagship Value Trust fund, with a return of 38.3 percent, ended 1996 in the top 2 percent of all U.S. diversified stock funds; just behind were Total Return Trust, co-managed with Nancy T. Dennin, and Special Investment Trust. In the fourth quarter, Value Trust, up 14.75 percent, ranked No. 2 among U.S. diversified stock funds.

Legg Mason, based in Baltimore, started its first fund, Value Trust, in 1982, and has developed several others. But the group has grown rapidly in the last two years by acquiring asset-management operations. In January 1995, it bought Batterymarch and soon started two funds under Batterymarch management, Legg Mason International Equity and Legg Mason Emerging Markets.

Last January, it acquired Bartlett & Co., which now oversees $211 million in assets in two stock mutual funds.

Legg Mason gained an international distribution line with the purchase in February of Lehman Brothers Global Asset Management, which had $2.9 billion in assets under management divided among institutional accounts and debt and equity funds. The funds were reorganized as LM Global Funds, serving residents outside the United States.

The firm now has more than $40 billion in assets under management with a goal of $100 billion by 2000.

As it grows, the fund family is contributing a larger portion of Legg Mason's overall revenue. Half comes from the brokerage arm, called Legg Mason Wood Walker, but the asset management and investment advisory portion of the company, which includes the mutual funds, now generates 29 percent, up from 18 percent in 1990. The rest comes from commercial mortgage banking.

Raymond A. Mason, the company's chairman, said the investment-management business "probably contributes over 40 percent of our profits, and probably the single biggest source of that group's profits are the mutual funds."

In the year ended in March, the company took in $516 million, versus $389 million a year earlier, and earned $38 million, versus $16 million. In the first six months of its current financial year, earnings were $26 million, up 53 percent from the period a year earlier, and revenue was $296 million, up 23 percent.

Legg Mason has always used value investing, which remains the underlying philosophy of the Value Trust fund.

Mr. Miller has adhered to it, but with his own spin. A former candidate for a doctorate in philosophy, Mr. Miller, 46, retains a scholarly bent that he applies to investing. He is on the board of the Santa Fe Institute, which is devoted to studying similarities within complex categories like economic systems, ecosystems and the body's immune systems.

Because these systems adapt to their environments, the Santa Fe theory holds that history does not always repeat itself. Mr. Miller tries to look past traditional data on stocks, too.

"We say changes are context-dependent," he said. "This summer, when the market fell out of bed, it was because everyone believed the Fed would tighten based on a specific employment report. The Fed doesn't tighten because of one report. The environment was conducive for the Fed to tighten, but not all of the data indicated that it would."

He stood pat on his funds, and the Fed did not move. Mr. Miller looks at data like price-to-earnings ratios, price-to-book value and cash-flow ratios, but only as a starting point. He says a forward-looking approach is to be more attentive to free cash-flow than to earnings.

"We bought a big position in IBM two years ago when it was in the $50s," he said "Before that, it had been a cash user. In 1994 it went cash positive, focusing on profitability, not sales growth. The stock is currently trading around $163. We don't forecast the market or prices; we try to understand where things are going."

That approach has led Mr. Miller to a long-standing bet in the financial sector. In September, the latest portfolio reporting period, the Value Trust had 47 percent of its assets in financials, and Total Return had about 40 percent.

New York Times Service

Bonds From Insurers Thrive if Nature Is Kind

By Digby Larner

FOR INVESTORS with a particularly speculative bent, the insurance industry is offering a chance to bet against earthquakes, hurricanes and other natural disasters.

Known as disaster bonds, these instruments offer high returns if insurance claims are low, but in exchange, investors take on some of the insurers' risks.

So far, only a few small issues have reached the market, but more are expected this year.

St. Paul Cos. sold two securities issues last month that let investors take a piece of the action of its reinsurance subsidiary, St. Paul Re.

The first part of the issue, launched with Goldman, Sachs & Co., is a $44.5 million tranche of 10-year notes that carries triple-A ratings from Moody's Investors Service Inc. and Standard & Poor's Corp. and is currently yielding 8.17 percent, well above the roughly 6.5 percent offered by Treasury notes of that maturity. The second part is a $24 million issue of preference stock, redeemable in three years, and now yielding about 9.58 percent.

St. Paul set up a company, George Town Re, and ceded some of its low-frequency, high-severity reinsurance business to the new entity, for which the two classes of securities were issued.

To ensure that the bond-holders get all their principal back, $23.2 million of the proceeds from the 10-year issue was invested in zero-coupon securities. The rest of the money from the 10-year bond sale and the money raised from the preference shares will go to reinsurance and other investments.

How well these two areas perform will determine the interest that bondholders receive and the dividends and redemption price on the preference shares.

Robert Litzenberger, managing director of derivatives research with Goldman, Sachs in New York, said that although the market for disaster bonds was now small, it is expected to grow substantially this year.

VULTURE INVESTING

While Mr. Litzenberger was unable to say how many bonds would be launched this year, he said Goldman, Sachs had a "handful" set to be issued in the coming quarter.

There are two types of disaster bonds. They can either be linked to the fortunes of a specific insurer — like the St. Paul issue — or to an index of the insurance market's overall claims performance. As with all investments, opting for a single-company bond carries a higher risk of loss than bonds that are diversified across the sector.

Mr. Litzenberger said there were a number of niche areas in which traditional reinsurance fails to operate and disaster bonds are effective.

"The sort of events insurers need to protect themselves against are things like really big earthquakes," he said. "You can buy reinsurance against relatively small earthquakes, but its something else if the insurer wants cover against a really big quake — if San Francisco were to slip into the Bay, for example."

In the absence of reinsurance coverage, insurers can only protect themselves against such risks by either tying up huge amounts of capital or issuing disaster bonds.

The investors currently involved in this young market are mostly institutions and professional investors, said Mr. Litzenberger. But he said that as the market grows, private investors would increasingly be drawn in.

STEWART COWLEY, a fixed-income specialist with Hill Samuel Asset Management in London, was less certain. He agreed that disaster bonds could be attractive, but said that their unpredictability would put off private investors.

"The income disaster bonds generate is usually better than average and there's always the possible bonus of some extra gains when the bond is redeemed," he said. "What will probably scare investors off is the problem of calculating risk."

The only measure for predicting natural catastrophes is probability, Mr. Cowley said.

"It's too much like throwing dice," he said. "You can say how many times you can expect to get a double-six out of one hundred throws, but it's impossible to know when they'll turn up."

Although the last three years have been relatively free of natural catastrophe claims, there can be no guarantee that this will not be reversed.

Mr. Litzenberger said this should not be a problem, noting the existence of probability models aimed at quantifying the likelihood of major natural catastrophes.

Several companies are workin to expand the disaster-bond market.

Two years ago, the British government relaxed rules restricting the way mutual insurers could raise capital, a move that allowed them to issue bonds. Although no disaster bonds have been issued, HSBC Holdings PLC and General Re Corp. of the United States are promoting the idea in Britain.

HSBC, however, was reluctant to outline its strategy, fearing that the information would be used by its competitors.

Asia's Troubles Offer Opportunities

Continued from Page 15

streets, as Lord Rothschild once recommended, can be "a pretty brutal reaction to some country's democratic struggles, but the stock market can be a brutal place," said Ted Pulling, who manages an Asia-wide fund for Jardine Fleming as well as the firm's India investments.

YET REPEATEDLY, Asian markets bounce back from unrest. "Asia has this fantastic capacity to find compromise, and economic growth in most of these countries is quite handsome," Mr. Pulling said.

The problem with Jardine Fleming's rule lies in the exceptions, in addition to the fact that most of Asia's stock markets are so young that there is not a lot of history to go on.

Real political change does happen from time to time, whether or not by violence, and sometimes it means bad news for companies, as with India's previous government, which imposed the now-removed capital-gains tax.

More ominously for investors, a foreign company that derived most of its earnings in China before the 1949 revolution would have been out of business after the Communists marched in unless it took evasive action and decamped to Hong Kong, as many did. In retrospect, it seems amazing that so many businesses stuck it out through 1950 to see what life under Mao would be like.

Besides, who says the rioting in Indonesia, for example, is not over what kind of system is in place? According to David Holloway, a Hong Kong director at the corporate-risk consultants Kroll Associates, that is precisely what the unrest in Indonesia is about. Rioting tends to affect stocks associated with the family and friends of President Suharto.

Strikes in South Korea this month also are aimed at changing the system: the demonstrators are against a new labor law that would reduce the barriers to firing workers.

The critical thing to decide in the face of unrest is whether the events will lead to systemic change, and, if so, what kind of change that will be, said Bob Broadfoot, of Hong Kong's Political and Economic Risk Consultancy.

If the change in an entire regime means that companies favored by the government stand to lose market share, some other company — domestic or foreign — ought to be poised to try to fill the resulting gap.

"Any political change you can make money from," said Mr. Broadfoot, "and any political change you can lose money from."

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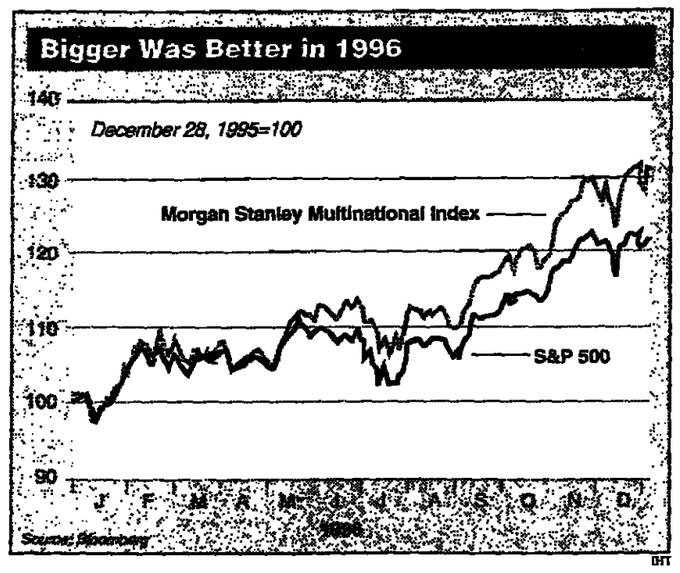

Morgan Stanley Wary Of Its Own Nifty Fifty

Some of the world's biggest companies may have fueled the bull run on Wall Street in 1996, but they are likely to lag their smaller counterparts in 1997, according to Byron Wien, Morgan Stanley & Co.'s chief U.S. investment strategist.

Mr. Wien has predicted that the Dow Jones industrial average would plunge at least 10 percent in the second half of the year after climbing as high as 7,500 in the coming months.

The bigger the company, Mr. Wien said, the harder the fall.

Morgan Stanley's Multinational Index tracks 50 U.S.-based large-cap companies with extensive overseas interests. Companies in this new version of the Nifty Fifty — the original was a collection of buy-and-hold stocks in the 1960s — have an average weighted market capitalization of $60 billion, or almost twice that of Standard & Poor's 500 average. As a group, they significantly outperformed the S&P 500 in 1996.

"The big stocks have done better so far for three reasons," Mr. Wien said. "Firstly, there was a concern among investors last year that the U.S. economy was softening and they viewed international consumer growth stocks as likely to have the most reliable earnings. Secondly, most of the stocks in our index are the largest cap stocks in the S&P 500 so they benefited from the trend toward indexing. Finally, these stocks simply developed momentum."

"But their valuations are getting rich," he warned. "My own view is that they are going to lag the market this year. Smaller, cyclical stocks will do better." *(IHT)*

IRS Wins on Taxing Gains On Foreign Home Sales

The Internal Revenue Service has won a court battle over its right to force an American citizen living abroad to pay U.S. taxes on currency-related gains from the sale of a foreign residence.

The Supreme Court refused to consider an appeal by an American banker, who said the IRS should not be able to tax "phantom" currency gains from the sale of a British home that was purchased, financed, and sold for British pounds.

The dispute centered on an IRS rule that overseas transactions by American citizens must be translated into dollars for tax purposes.

If an American living abroad buys a house and later sells it for a profit, the IRS requires the purchase to be calculated in dollars at the exchange rate in effect on the date of purchase. That amount is compared to the sale price, which must be converted into dollars on the date of sale. The difference is subject to tax.

Carlos Quijano, an American who worked in Britain, said that method unfairly inflates the amount a taxpayer owes, by including gains that are attributed solely to changes in the exchange rate between the time a house is bought and the time it is sold.

Mr. Quijano said he used foreign currency when he bought a house in Britain in 1986, and when he sold it four years later. He said the IRS should have let him compare the sale price to the purchase price — in pounds — and calculate his tax by converting the profit into dollars on the date of sale. Under the IRS rule, Mr. Quijano's tax bill was $30,610 higher than it would have been without it. *(Bloomberg)*

Mercury Manager Bullish On Investing in Asia

Investment opportunities in emerging Asian equity markets should improve this year, especially in China, Hong Kong, Indonesia and India, said the manager of the Mercury Selected Trust Asian Opportunities Fund.

"From a big-picture view, stronger growth in Asia plus the likelihood of generally easier domestic monetary policies should create a healthy environment for Asian stock markets," said John Mellor, head of the $9.4 million fund. The fund, an open-ended fund registered in Luxembourg, is part of Mercury Selected Trust's pool of 31 funds, which make up $1.617 billion in assets.

"In particular, we feel there will be good opportunities in Hong Kong red chips and Indonesia, and not withstanding India's poor performance, we remain of the view that the conditions are in place for a good rally in this market over the next six to 12 months," Mr. Mellor said.

Hong Kong red chips are Chinese state-owned companies that are listed on stock markets in Hong Kong. *(Bloomberg)*

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WORLD ROUNDUP

Lehman Takes Lead

GOLF Tom Lehman took the first-round lead after shooting a 6-under-par 66 in the Mercedes Championships, the PGA tour opener, at Carlsbad, California. Lehman's round with seven birdies and one bogey gave him a one-stroke lead over Jim Furyk and Paul Goydos and put him three strokes ahead of Fred Couples, Justin Leonard and Guy Boros. *(AP)*

Shula Leads Lineup

FOOTBALL Don Shula, who coached the Miami Dolphins to two Super Bowl titles, heads the list of 15 candidates for induction into the Pro Football Hall of Fame. The Pittsburgh Steelers' former center Mike Webster and wide receivers John Stallworth and Lynn Swann were also named, along with Dwight Stephenson, Carl Eller and Jack Youngblood, Ray Guy, Mike Haynes, Paul Krause, Tom Mack, Ozzie Newsome, Ron Yary, Jerry Kramer, and the New York Giants' president, Wellington Mara. *(AP)*

Sailor Feared Lost

YACHT RACING Fears grew Friday for the Canadian mariner Gerry Roufs, missing since Tuesday in the southern Pacific in a round-the-world solo yacht race, organizers said. Isabelle Autissier, a fellow competitor, and two other racers from France gave up looking for Roufs on Friday after 36 hours, leaving a Panamanian-flagged cargo ship to continue the search. *(AFP)*

Unser vs. Forest Service

The auto racer Bobby Unser, still recovering from a near-fatal ordeal when he and a friend became lost in a blizzard after their snowmobile broke down, could face a six-month jail term for snowmobiling in a federally protected wilderness, the Forest Service says. Unser says he can't believe it.

"People shouldn't be prosecuted for something they have no control over," he said. Unser said he's unsure, but he might have strayed into Colorado's South San Juan Wilderness during a blizzard on Dec. 20. *(AP)*

Brunell, Just a Backup, Left Packers Impressed

With Favre, Team Had to Trade Sub

By Dave Sell
Washington Post Service

Mike Holmgren, Green Bay's coach, has the National Football League's most valuable player in quarterback Brett Favre. But Holmgren is greedy, in a good-natured, quarterback-hoarding sort of way.

"Under the old rules, Mark Brunell would be with me forever and ever," Holmgren said. "He's a fine person and great player. You saw it. You knew it. The hard part for me is that he's not here, but I knew he would be a great player."

Free agency, the salary cap, expansion and a trade combined to put Brunell in Jacksonville before the 1995 season. The Jaguars, who play the New England Patriots on Sunday for the AFC championship, could not be happier. Brunell outplayed two future Hall of Fame quarterbacks, John Elway of Denver and Jim Kelly of Buffalo, in leading the second-year team Sunday to the AFC championship game against New England.

Brunell, 26, threw for more yards (4,763) than any quarterback in the NFL this season and the fifth-most in a season in league history. He had one of the best touchdown-to-interception ratios in 1995. That changed for the worse this season, but some in Jacksonville think it had more to do with Andre Rison's running the wrong routes than Brunell's throwing to the wrong team.

A day after Brunell shouted at Rison as they came off the field at Three Rivers Stadium for making just such a mistake in a 28-3 loss to the Pittsburgh Steelers, Rison was cut. (Holmgren signed him for Green Bay.) The Jaguars have not lost a game since.

Brunell, who is 6 feet 1 (1.85 meters) and 217 pounds (98 kilograms), is tough. He was the only NFL quarterback to play every snap for his team.

But knowing he can run, Brunell had a tendency to bail out of a collapsing pocket a moment too soon. Early in the Buffalo game, teammates had to reassure him that they would figure out the Bills' blitzes and protect him.

"His mobility is his greatest asset, and that's Steve Young's greatest asset," said a Jaguar safety, Dana Hall, who played with Young in San Francisco and Brunell at the University of Washington.

"Early in Steve's career, they wanted him to stay in the pocket and be like Joe Montana. But Steve Young out of pocket is more dangerous than Steve Young in the pocket, and it's the same with Mark.

"Defensive backs have to stay with their guy, and linebackers have to make a decision whether to come up or let him run. If they come up, he throws over their heads.

"Now, Mark is more poised in the pocket. He stays in a bit longer to find receivers and then escapes when he has to. But he also has a sense that he doesn't have to win the game alone."

Brunell is the first to say that the Jaguars' seven-game winning streak is due in large part to Natrone Means, who has given the offense a running threat to match the passing attack.

But Means had been a Pro Bowl running back with San Diego before the Jaguars signed him; Coach Tom Coughlin took more of a gamble when he acquired Brunell.

He was the fourth quarterback picked in the 1993 draft, behind New England's Drew Bledsoe (Washington State), Seattle's Rick Mirer (Notre Dame) and Oakland's Billy Joe Hobert (Brunell's teammate at Washington).

Brunell did not play as a rookie behind Favre. He beat Ty Detmer for the backup job in '94, but played in only two regular season games, completing 12 of 27 passes for 95 yards. Even with the lack of experience, the Packers sensed Brunell could play and knew they wouldn't be able to pay both him and Favre big money. So, just before the 1995 draft, they talked about a trade with Philadelphia.

"When me, my agent and Philadelphia could not agree on a contract, the trade ended," he said. "Jacksonville stepped in, and it was done awfully quickly after that."

The deal — Jacksonville gave up a third- and fifth-round pick and signed him to a three-year, $3 million contract — looks very smart today. And Brunell, who will be a much-sought free agent after the 1997 season if he is not resigned, was happy to get his chance.

"I thought it was a good opportunity to get on the field," he said. "I was not going to get that in Green Bay, for obvious reasons."

Rick Rycroft/The Associated Press

Jennifer Capriati on her way to beating Lindsay Davenport in a semifinal Friday at the Sydney International.

Fractured Hand Stops Kafelnikov

The Associated Press

MELBOURNE — Pete Sampras didn't even have to step on court to gain a spot in the title match of the Colonial Classic.

The French Open champion, Yevgeni Kafelnikov, withdrew Friday from both the exhibition tennis tournament and next week's Australian Open because of a broken bone in his right hand.

The Russian was to face Sampras, the world's No. 1 player, in the semifinals of the Colonial Classic on Friday. Instead, Sampras had to settle for a gentle workout with Arnaud Boetsch of France.

Sampras was given a walkover into the final and will face world No. 2 Michael Chang in Saturday's all-American affair, a repeat of last year's U.S. Open men's singles final, which Sampras won.

The tournament director, Colin Stubs, said Kafelnikov fractured a bone in his right hand during a gym workout, but declined to say how. Kafelnikov preferred not to talk about it.

"Yevgeni is pretty distressed," Stubs said. "It is a pretty bad break, and he will be out for four to six weeks."

Sampras played a demonstration match against Boetsch to entertain the Kooyong crowd after Kafelnikov's withdrawal, winning, 6-4, 6-4.

Earlier Friday, Jim Courier withdrew from his third match at the Colonial Classic, citing a minor hamstring injury.

Courier was scheduled to play Scott Draper of Australia after losing his opening two matches to Kafelnikov and Michael Stich of Germany.

Courier told tournament organizers that the injury was not severe, but said he did not want to take any risks just before the Open.

Andrei Medvedev of Ukraine won the playoff for fifth place with a 7-5, 6-3 victory over Stich.

The Colonial Classic is a warm-up exhibition tournament before the Australian Open begins its two-week run Monday.

■ Capriati Goes to Final

In the Sydney International tournament, Jennifer Capriati defeated fourth-seeded Lindsay Davenport, 2-6, 6-4, 6-2, Friday to gain a spot in the final. She will play Martina Hingis of Switzerland.

The second-seeded Hingis, 16, reached the women's title match with a 6-3, 6-2 rout of Mary Joe Fernandez of the United States.

In the men's final, Tim Henman of Britain will face Carlos Moya of Spain. Henman upset top-seeded Goran Ivanisevic, 4-6, 7-6 (7-1), 6-1, to reach his second consecutive final. Moya saved a match point against third-seeded Albert Costa before edging his compatriot, 3-6, 6-3, 7-6 (8-6).

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Green Bay Has the Weather, but Panthers Have Johnson

By Timothy W. Smith
New York Times Service

CHARLOTTE, North Carolina — The weather will be frightful in Green Bay for the National Football Conference championship game Sunday, with forecasts calling for snow, single-digit temperatures and a wind chill that could reach 50 below. But the Carolina Panthers have a great equalizer in running back Anthony Johnson.

Johnson's straight-ahead, plowing style and the Panthers' patience with the running game makes Carolina a force if the weather turns too nasty for quarterback Kerry Collins to throw or if the resodded Lambeau Field turns to mush. It will be in stark contrast to the conditions that Johnson had last week in Charlotte, where he rushed for 104 yards against the Dallas Cowboys in Carolina's divisional playoff victory.

Having played at Notre Dame, Johnson has seen his share of snowflakes and muddy fields. But what he is less familiar with is seeing himself in a starring role on a football team. After spending the first four seasons of his career in Indianapolis, Johnson, 29, has played for three teams — the New York Jets, the Chicago Bears and the Panthers — in the last two years.

"There have been opportunities in the past, but I don't think they were the right opportunities," Johnson said. "The timing just wasn't right. I believe the Lord did that for a purpose. This is the best situation for me right here. The timing was right."

It certainly was right for the Panthers, who watched starting tailback Tim Biakabutuka go down with a season-ending knee injury against Jacksonville in Week 4. The Panthers brought in former Baltimore Ravens running back Leroy Hoard to shore up the running game. Johnson didn't say anything. Then the Panthers cut Hoard, who wound up in Minnesota, and turned to Johnson.

"I certainly felt like I should have been afforded an opportunity to do the job, but they didn't see it that way," Johnson said. "Eventually, I was given the opportunity to show what I could do, and I showed them I could do the job."

It has always been a struggle for Johnson. The Panthers drafted four running backs last spring, and Coach Dom Capers limited the practice reps in training camp by the veterans so he could get a better idea of what the rookies could do. Frustrated at not getting many chances, and fearful he would be waived in a numbers game, Johnson went to Capers and asked to be released.

"I told him, 'I have plans for you; just hold on,' " Capers said. "I explained to him that the reason he wasn't getting reps was because I was going to play him. He thanked me and left.

"After his third or fourth 100-yard rushing game, I went over to him and said, 'Hey, A.J., you still want me to release you?' "

What Johnson accomplished this season — 1,120 yards on 300 carries — has been nothing short of amazing.

Rushing for more than 1,000 yards after not entering the starting lineup until five weeks into the season is like spotting someone 10 meters in a 100-meter sprint. And running with a bucket on one foot.

Coming Up: Packers vs. Jaguars

By Timothy W. Smith
New York Times Service

Carolina at Green Bay

The Panthers did something Green Bay tried to do twice — knocked Dallas out of the playoffs. So the Packers have a great deal of respect for Carolina. They should. The Panthers are one of the best teams the Packers will face this season.

On the other hand, Packers' quarterback, Brett Favre, who is at the top of his game right now, will have all his weapons at his disposal, and he is the best quarterback the Panthers will face this season.

And the Panthers, who have played in one cold-weather game this year, haven't experienced anything like Lambeau Field in January. That will be the edge the Packers need to go to the Super Bowl.

Prediction: Green Bay 28, Carolina 23

Jacksonville vs. New England

This will be the matchup between the teacher (Bill Parcells) and the pupil (Tom Coughlin). They both say this will be an emotional game. But you can believe that they'll do everything they can to knock the other one out of the Super Bowl.

Coughlin has shown quite a bit of moxie in the last two playoff games, perhaps because the Jaguars have essentially been playing in a single-elimination situation since Week 12. Jacksonville is no longer a surprise team. They're for real, and the Patriots will find that out when Jacksonville knocks them off and heads to the Super Bowl.

Prediction: Jacksonville 31, New England 28

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2 Japanese Pitchers Sign With U.S. Teams

Compiled by Our Staff From Dispatches

Shigetoshi Hasegawa and Masayuki Nakayama, two Japanese pitchers, have agreed to terms with U.S. baseball teams, increasing the number of Asians in the major leagues to five.

Hasegawa, 28, a right-hander for the Orix Blue Wave, struck a deal with the Anaheim Angels.

Nakayama, a 27-year-old right-hander, agreed to terms with the Seattle Mariners.

Seattle, whose ownership includes Japanese businessmen, becomes the first American team with two Japanese players. Nakayama joins relief pitcher Makoto Suzuki in the Mariners' lineup.

Hasegawa won 57 games in six years in the Japanese League, all with the Blue Wave, compiling a 57-45 mark with 43 complete games, four saves and a 3.25 earned-run average.

After three consecutive years with at least 11 triumphs, he slumped last season, going 4-6 with a 5.34 ERA. He had been unhappy at not being given permission to join the American major leagues before last season.

"As a performer with success as both a starter and middle reliever, we feel Hasegawa fits well into our pitching staff plans for the 1997 season," said the Angels' general manager, Bill Bavasi.

In his career, Hasegawa has walked 286 and struck out 515 in 903 innings. He surrendered just 79 homers.

• The New York Yankees agreed Thursday to a $1 million, one-year contract with outfielder Mark Whiten.

New York already has Bernie Williams, Paul O'Neill, Darryl Strawberry and Tim Raines for the three starting spots. But the Yankees' general manager, Bob Watson, said Whiten was "a potential insurance policy with power and a switch hitter."

O'Neill and Raines are both coming off hamstring injuries.

Whiten, 30, can earn an additional $650,000 if he has 600 plate appearances and plays 150 games. He hit .243 with 10 homers and 38 RBIs for Philadelphia and Atlanta last season, then hit .300 with 12 homers and 33 RBIs for Seattle. *(AP, AFP)*

SPORTS

Tampa Bay Stops Another Streak

Flyers Hadn't Lost in 17 Games

The Associated Press

For the second straight night in the National Hockey League, the Tampa Bay Lightning stopped an unbeaten streak, halting the Flyers' run at 17 with a 3-1 victory Thursday in Pittsburgh.

In New York the night before, the Lightning beat the Rangers to end goaltender Mike Richter's streak at 16.

Dino Ciccarelli's tiebreaking goal with 6:58 remaining led the Lightning past the Flyers. Ciccarelli beat Flyers goalie Ron Hextall with a 25-foot (8-meter) slapshot as Tampa Bay won its third straight road game.

Patrick Poulin, who scored Tampa Bay's first goal, added an empty-net goal with 21.6 seconds left. Trent Klatt scored for the Flyers.

The Lightning goalie, Corey Schwab, subbing for injured starter Rick Tabaracci, made a number of big saves among a total of 30.

Capitals 2, Rangers 0 Olaf Kolzig had 25 saves in his second shutout in three games as Washington extended its unbeaten streak to four by defeating visiting New York.

Kolzig played in 56 NHL games before notching his first career shutout Friday against Phoenix.

Peter Bondra and Kelly Miller scored for the Capitals, who improved to 3-0 against New York this season.

Avalanche 2, Senators 0 Patrick Roy recorded his sixth shutout to lead the league as the injury-riddled Avalanche extended their unbeaten streak to nine.

Adam Deadmarsh scored the winner on a power play early in the second period, then helped set up Eric Lacroix's insurance goal.

The Avalanche — without Joe Sakic, Peter Forsberg and Mike Ricci, among others — played a conservative game that relied heavily on Roy.

Bruins 5, Canadiens 4 Jozef Stumpel scored with 1:58 left in the Bruins' first victory against the Canadiens at home in their last five meetings.

Goalie Rob Tallas, substituting for the injured Bill Ranford, turned away 26 Montreal shots.

Red Wings 5, Coyotes 4 In Phoenix, Igor Larionov scored 58 seconds into overtime as Detroit snapped a four-game winless streak.

Brendan Shanahan scored two goals, and Greg Johnson and Vyacheslav Kozlov each had one for the Red Wings. Dallas Drake, Jeremy Roenick, Mike Gartner and Keith Tkachuk scored for the Coyotes.

Flames 3, Whalers 2 Jarome Iginla scored the game-winner with less than six minutes left in the third period as Calgary rallied to beat Hartford.

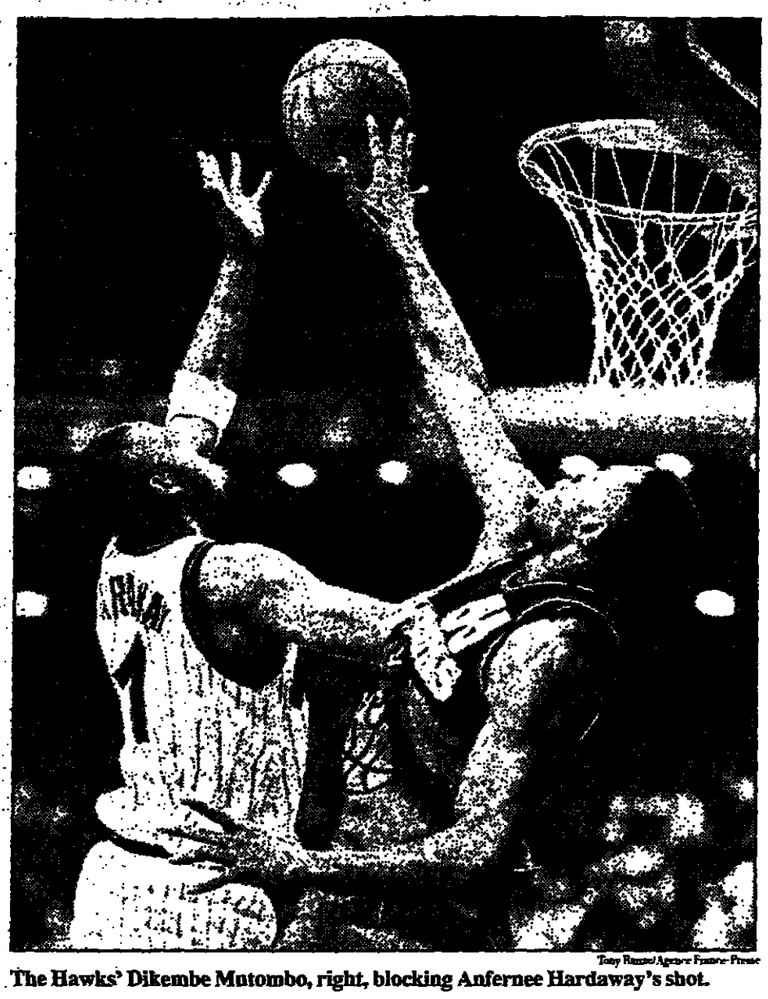
After Joel Bouchard scored for Calgary and Keigh Primeau struck for the Whalers, Kevin Dineen put Hartford ahead early in the third period. But the Flames pulled even on Dale McTavish's first pro goal.

Kings 6, Sabres 3 In Los Angeles, the Kings gained their 900th franchise victory.

Dimitri Khristich had two goals and two assists, and Vladimir Tsyplakov had three assists. Kevin Stevens, Philippe Boucher, Ian Laperriere and Jan Vopat also scored for the Kings, who were winning their second in a row after managing only one victory in their previous 12 games.

Blues 4, Sharks 3 Pierre Turgeon scored a power-play goal with 25 seconds left as St. Louis beat the Sharks for Joel Quenneville's first victory as an NHL coach. Andrei Nazarov scored twice, his first multigoal game, for the Sharks.

NHL Roundup



Tony Ramos/Agence France-Presse

The Hawks' Dikembe Mutombo, right, blocking Anfernee Hardaway's shot.

Stanford Humbles UCLA

Bruins Lose by 48 in Their Worst Defeat Ever

The Associated Press

UCLA, winner of a record 11 NCAA championships, has endured the most lopsided loss in its history, 109-61, to No. 21 Stanford.

The Bruins fell behind, 17-1, trailed by 31 points at halftime and never came close on the road Thursday. The 48-point loss surpassed their previous worst defeat: 38 points, 102-64, to Arizona in 1989.

Stanford (9-2 and 2-1 in the Pac-10 conference) made a school-record 15 3-pointers.

College Basketball

breaking the mark of 14 set against Alaska-Anchorage on Dec. 18. Brevin Knight led the Cardinal with 25 points.

UCLA (7-4, 2-1 Pac-10) began the game leading the nation in field goal shooting at 54.9 percent. But the Bruins shot just 33.3 percent in the first half and finished at 36.7 percent.

No. 1 Kansas 134, Niagara 73 Raef LaFrentz scored 27 points and Scot Pollard had 20 points as Kansas improved to 15-0.

The host Jayhawks led, 69-39, at halftime and made their first 11 shots afterward.

Billy Thomas and Jerod Haase each had 17 for Kansas. Jeff O'Connor and Chris Watson each had 15 points for Niagara (6-5).

No. 3 Kentucky 88, Canisius 45 Anthony Epps made two 3-pointers in a 16-0 burst during an eight-minute span in the middle of the game at Kentucky. The Wildcats (14-1) scored the first 10 points. Canisius (6-7) closed to 26-21 before Epps started the decisive spurt.

Derek Anderson led Kentucky with 17 points.

No. 16 Michigan 88, No. 25 Illinois 74 Maurice Taylor became the 34th Michigan player to score 1,000 career points as the Wolverines won at home.

Louis Bullock had 19 points, Robert Traylor had 16 and Taylor added 14. Michigan (11-3, 2-1 Big Ten) used a 19-7 spurt early in the game to take control.

The Fighting Illini (11-4, 1-2) have lost five straight in Ann Arbor since 1991.

Washington State 81, No. 17 Oregon 76 Isaac Fontaine scored 14 of the final 18 points for Washington State, which sent Oregon to its first loss of the season.

Fontaine finished with 28 points for the Cougars (9-5, 1-2 Pac-10).

Oregon (10-1, 1-1) was seeking its best start since the 1946-47 team went 12-0.

No. 18 New Mexico 79, TCU 64 Charles Smith had 23 points and 13 rebounds as New Mexico broke away from visiting Texas Christian.

The Lobos (12-2, 1-1 Western Athletic Conference) led, 39-38, at halftime, then went on a 17-4 run. Clayton Shields scored eight of the points and finished with 16.

Healthy Toronto Muzzles Utah

The Associated Press

The Toronto Raptors got a little healthier — on the floor and in the standings.

Damon Stoudamire made two 3-pointers in the last 2:38 and scored 17 points in the fourth quarter Thursday night, leading the Raptors to a 110-96 victory over the Utah Jazz.

Toronto welcomed back Walt Williams and Marcus Camby from the disabled list and ended a four-game losing streak.

Stoudamire scored 27 points to lead the Raptors, who used an 18-4 run over the last five minutes to cement their victory.

With a blizzard dumping almost a foot of snow on Toronto, a crowd of only 12,410, the smallest in the club's history, made it to the game at the SkyDome.

Timberwolves 110, Nets 107 In East Rutherford, New Jersey, Stephon Marbury was plagued by fouls and outplayed by Robert Pack in his only appearance of the season near his hometown as Minnesota beat New Jersey.

Tom Gugliotta had 26 points and 11 rebounds, and Marbury had 22 points and seven assists for the Wolves.

Pack had 28 points and 11 assists, but he did little in the fourth quarter after Marbury fouled out with almost seven minutes left. Jayson Williams added 18 points and 23 rebounds for the Nets.

Hawks 97, Magic 92 Steve Smith scored 27 points and Atlanta made four free throws in the final nine seconds for its second straight overtime victory.

The visiting Hawks held Anfernee Hardaway, who was playing his second game since coming off a second stint on the injured list, to nine points on 3-for-15 shooting and shut down Orlando after giving up 74 points in the first three quarters.

Warriors 102, Grizzlies 96 In Vancouver, B.J. Armstrong, making only his second start this season, scored 13 of his 15 points in the third quarter to lead Golden State.

Playing in place of the injured guard Mark Price, Armstrong went 5-for-7 in the third quarter when Golden State put the game away.

NBA Roundup

Joyner-Kersee: Back to the Track

The Associated Press

RICHMOND, Virginia — Jackie Joyner-Kersee has left the Richmond Rage of the American Basketball League to concentrate on her track and field career.

"We're going to talk with Jackie over the weekend on several options," Gary Cavalli, the league's co-founder, said late Thursday. Cavalli said Joyner-Kersee's contract was structured so that she could continue her track training.

"I know she is competing in the Chase Millrose Games that start Feb. 7, so she may not play from now until after the Millrose Gaines," Cavalli said. He said Joyner-Kersee might return following the meet. The ABL regular season ends Feb. 20. Joyner-Kersee joined the ABL with the understanding that she would play in 28 to 35 of the team's 40 regular-season games. She had been with the Rage for 17 of 29 games, scoring 16 points and grabbing 10 rebounds.

Joyner-Kersee first hinted that she would abandon her basketball career, at least for this season, at a press conference Wednesday in New York. She said she was beginning to prepare for the track season, where she will make her return at the prestigious Chase Millrose Games at Madison Square Garden. She has won five previous Millrose championships.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION	W	L	Pct	GB
Miami	25	9	.735	—
New York	24	9	.727	½
Washington	17	15	.531	7
Orlando	12	18	.400	11
New Jersey	9	22	.290	14½
Boston	8	23	.258	15½
Philadelphia	8	25	.242	16½
CENTRAL DIVISION				
Chicago	29	4	.879	—
Detroit	24	8	.750	4½
Cleveland	21	12	.636	8
Atlanta	20	11	.645	8
Charlotte	18	15	.545	11
Milwaukee	17	16	.515	12
Indiana	15	16	.484	13
Toronto	11	22	.333	18
WESTERN CONFERENCE				
MIDWEST DIVISION				
	W	L	Pct	GB
Houston	26	8	.765	—
Utah	23	11	.676	3
Minnesota	15	19	.441	11
Dallas	11	20	.355	13½
San Antonio	9	23	.281	16
Denver	9	24	.273	16½
Vancouver	7	28	.200	19½
PACIFIC DIVISION				
L.A. Lakers	26	10	.722	—
Seattle	25	11	.694	1
Portland	19	16	.543	6½
L.A. Clippers	14	19	.424	10½
Sacramento	14	21	.400	11½
Golden State	13	20	.394	11½
Phoenix	10	24	.294	15

THURSDAY'S RESULTS

Utah 28 26 24 18—96
Toronto 29 25 23 33—110

U: Malone 11-18 2-3 24, Homacek 6-10 3-3 17; T: Stoudamire 11-20 0-0 27, Christie 6-10 7-10 22. Rebounds—Utah 33 (Malone 10), Toronto 48 (Jones 14). Assists—Utah 31 (Stockton 14), Toronto 25 (Christie 10).

Minnesota 31 25 25 25—106
New Jersey 27 27 28 25—107

M: Gugliotta 8-22 9-10 26, Marbury 8-10 2-2 22; N.J.: Pack 11-22 5-6 28, Williams 6-14 6-11 18. Rebounds—Minnesota 46 (Gugliotta 11), New Jersey 62 (Williams 23). Assists—Minnesota 21 (Marbury 7), New Jersey 22 (Pack 11).

Atlanta 30 19 24 14 10—97
Orlando 22 22 20 13 5—82

A: Smith 10-23 4-6 27, Jones 5-8 8-9 20; O: Grant 10-20 4-5 24, Selkirk 8-15 6-10 22. Rebounds—Atlanta 52 (Mutombo 15), Orlando 52 (Grant 12). Assists—Atlanta 19 (Blaylock 8), Orlando 25 (Hardaway 8).

Golden State 31 33 23 25—102
Vancouver 23 27 28 16—86

G.S.: Sprewell 11-21 4-5 27, Mullin 8-12 0-0 17; V: Abdur-Rahim 8-16 1-3 17, Foster 6-19 3-4 16. Rebounds—Golden State 52 (Spencer, Vancouver 40 (Lynch 9). Assists—Golden State 24 (Sprewell 8), Vancouver 31 (Anthony 7).

EUROLEAGUE

GROUP E

Charleroi, Belgium 68, Stefanel Milan, Italy 71
Olympiakos, Greece 82, CSKA Moscow, Russia 57
Alba Berlin, Germany 70 Maccabi Tel Aviv (Israel) 65

Standings: Stefanel Milan 19 points, Alba Berlin 18, CSKA Moscow 17, Olympiakos 17, Maccabi Tel Aviv 17, Charleroi 11.

GROUP F

Panionios, Greece 72, Teamsystem Bologna, Italy 88
Limoges, France 91, Estudiantes Madrid, Spain 85

Standings: Teamsystem Bologna 19 points, Cibona Zagreb 18, Estudiantes 17, Limoges 16, Ulker Spor 15, Panionios 14.

GROUP G

Dynamo Moscow, Russia 88, Panathinaikos, Greece 81

Standings: Panathinaikos 19 points, Villeurbanne 19, Ljubljana 18, Sevilla 14, Paul-Orthez 16, Dynamo Moscow 14.

GROUP H

Barcelona, Spain 73, Kinder Bologna, Italy 72
Split, Croatia 76, Partizan Belgrade, Yugoslavia 75

Standings: Efes Pilsen 20 points, Partizan Belgrade 17, Kinder Bologna, 16, Barcelona 14, Split 14, Bayer Leverkusen 11.

(Top 4 in each group qualify for round of last 16.)

CRICKET

LIMITED OVERS WORLD SERIES

PAKISTAN VS. WEST INDIES
FRIDAY, IN PERTH, AUSTRALIA

Pakistan: 257-7 in 50 overs
West Indies: 258-5 in 48.4 overs
West Indies won by five wickets.

Standings: West Indies 8 points, Pakistan 6, Australia 4.

INDIA TOUR

GRIQUALAND WEST VS. INDIA
DAY-NIGHT MATCH
THURSDAY, IN KIMBERLEY, SOUTH AFRICA

Griqualand West: 205-7 in 50 overs
India: 206-3 in 34.4 overs.
India won by seven wickets.

HOCKEY

NHL Standings EASTERN CONFERENCE

ATLANTIC DIVISION	W	L	T	Pts	GF	GA
Philadelphia	26	13	4	56	141	106
Florida	21	11	9	51	120	95
N.Y. Rangers	22	18	6	50	156	128
New Jersey	21	15	4	46	106	102
Washington	18	20	4	40	111	116
Tampa Bay	16	20	5	37	120	131
N.Y. Islanders	12	20	8	32	102	118
NORTHEAST DIVISION						
Pittsburgh	22	15	4	48	153	130
Buffalo	21	16	5	47	125	113
Hartford	17	17	7	41	124	134
Montreal	16	19	8	40	140	149
Boston	16	19	6	38	121	147
Ottawa	12	21	7	31	107	121
WESTERN CONFERENCE						
CENTRAL DIVISION						
	W	L	T	Pts	GF	GA
Dallas	24	15	3	51	124	103
Detroit	21	14	7	49	133	95
St. Louis	19	21	4	42	126	144
Phoenix	18	20	4	40	114	135
Chicago	16	21	7	39	115	121
Toronto	17	25	0	34	128	150
PACIFIC DIVISION						
	W	L	T	Pts	GF	GA
Colorado	25	10	8	58	147	99
Edmonton	19	20	4	42	142	133
Vancouver	19	20	1	39	126	136
Calgary	16	22	5	37	109	126
Anaheim	15	21	5	35	116	128
Los Angeles	15	22	4	34	113	140
San Jose	14	22	5	33	105	130

THURSDAY'S RESULTS

Montreal 0 3 1—4
Boston 0 3 2—5

First Period: None. Second Period: B-Kennedy 4 (Roy, Stumpel) 2, M-Recchi 18 (Savage, Damphousse) 3, M-Tucker 4 (Stevenson) 4, B-Tocchet 8 (Donato, Oates) 5, B-Odgers 6 (McLaren, Harkins) 6, M-Recchi 19 (Quintal, Richer) (pp). Third Period: M-Savage 15 (Damphousse) 8, B-Tocchet 9 (Oates, Stumpel) (pp). 9, B-Stumpel 12 (Bourque, Kennedy) Shots on goal: M- 10-15-5—30. B- 13-14-15—42. Goalies: M-Thibault. B-Tallas.

Colorado 0 1 1—2
Ottawa 0 0 0—0

First Period: None. Second Period: C-Deadmarsh 16, (pp). Third Period: C-Lacroix 13 (Marha, Deadmarsh) Shots on goal: C-14-6-5—25. O- 9-11-13—33. Goalies: C-Roy. O-Rhodes.

Tampa Bay 0 1 2—3
Philadelphia 0 1 0—1

First Period: None. Second Period: T-Poulin 9 (Bradley, Housley). 2, P-Klatt 13. Third Period: T-Ciccarelli 19 (Bradley, Hextrill) 4, T-Poulin 10 (Ulanov, Gratton) (en). Shots on goal: T- 9-7-15—31. P- 9-9-13—31. Goalies: T-Schwab. P-Hextall.

N.Y. Rangers 0 0 0—0
Washington 0 2 0—2

First Period: None. Second Period: W-Miller 4 (Thornton) 2, W-Bondra 24 (Hunter, Housley) (pp). Third Period: None. Shots on goal: N.Y.- 8-10-7—25. W- 4-11-9—24. Goalies: N.Y.-Healy. W-Kolzig.

Detroit 2 2 0 1—5
Phoenix 2 0 2 0—4

First Period: Phoenix, Drake 8 (Tverdovsky) 2, D-, Johnson 5 (Fedorov, Ericksson) 3, Phoenix, Roenick 11 (Tkachuk, Tverdovsky) (pp). 4, D-Shanahan 22 (Lidstrom, Larionov) (pp). Second Period: D-Shanahan 23 (Lapointe, Yzerman) 4, D-Kozlov 15 (Fedorov, Larionov) Third Period: Phoenix, Gartner 18 (Korolev, Roenick) 8, Phoenix, Tkachuk 25 (Quint, Gartner) (pp). Overtime: 9, D-Larionov 6 (Lapointe, Shanahan). Shots on goal: D- 11-14-10-1—36. Phoenix 7-6-9-0—22. Goalies: D-Osgood. Phoenix, Khabibulin.

Hartford 0 1 1—2
Calgary 0 1 2—3

First Period: None. Second Period: C-Bouchard 2, (sh), 2, H-, Primeau 12 (Dilauck) Third Period: H-Dineen 10 (Dilauck) 4, C-, McTavish 1 (Hashimo, Gawey) 5, C-Iginla 13 (Gagner, Hoglund) Shots on goal: H- 6-12-14—34. C- 11-5-13—29. Goalies: H-Giguere. C-Raisson.

St. Louis 2 1 1—4
San Jose 1 1 1—3

First Period: S.J.-Nolan 17 (Friesen, Bodger), 2, S.J.-Mateau 12 (Petrovicky, Pronger) 3, S.L., Hull 20 (Peterin, Persson) Second Period: S.J.-Nazarov 7 (Turcotte) 5, St. Louis, Petrovicky 3 (Macinnis, Pronger) Third Period: S.J.-Nazarov 8 (Gill, Dahlen); 7, St. Louis, Turgeon 7 (Pronger, Hull) (pp). Shots on goal: S.L.- 12-9-7—28. S.J.- 16-6-14—36. Goalies: S.L.-Fuhr. S.J.-Terreri, Hrudey.

Buffalo 1 1 1—3
Los Angeles 2 1 2—4

First Period: L.A.-Khristich 10 (Vopat) 2, Los Angeles, Stevens 6 (Laperriere) 2, B-Audette 14 (Holzinger, Moore) Second Period: L.A.-Boucher 5 (Tsyplakov, Khristich) 5, B-Burridge 7 (Peca) (sh). Third Period: B-Dowe 10 (Peca, Burridge) 7, Los Angeles, Laperriere 4, 8, L.A.-J.Vopat 1 (Khristich, Tsyplakov) 9, L.A.-Khristich 11 (Numminen, Tsyplakov) Shots on goal: B- 11-11-9—31. L.A.- 5-7-13—25. Goalies: B-Hasek. L.A.-Fiset.

SOCCER

SPANISH CUP

THIRD ROUND, FIRST LEG
Real Madrid 2 Valladolid 1

TENNIS

SYDNEY INTERNATIONAL

FRIDAY, IN SYDNEY

WOMEN'S SINGLES SEMIFINALS

Jennifer Capriati, United States, def. Lindsay Davenport (4), U.S., 2-6, 6-4, 6-2; Martina Hingis (2), Switzerland, def. Mary Joe Fernandez, U.S., 6-3, 6-2.

MEN'S SINGLES SEMIFINALS

Tim Henman, Britain, def. Goran Ivanisevic (1), Croatia, 4-6, 7-6 (7-1), 6-1; Carlos Moya, Spain, def. Albert Costa (3), Spain, 3-6, 6-3, 7-6 (8-6).

TASMANIAN INTERNATIONAL

FRIDAY, IN HOBART, AUSTRALIA

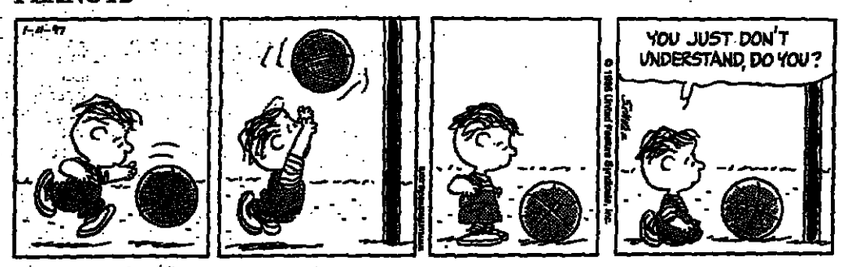
SEMIFINALS

Marianne Werdel-Witmeyer, U.S., def. Els Callen, Belgium, 6-3, 6-0; Dominique Van Roost, Belgium, def. Nana Endo, Japan, 6-3, 6-4.

DENNIS THE MENACE

"I CAN'T BELIEVE THAT I'M FIVE YEARS OLD AND I'VE NEVER HAD A HORSE!"

PEANUTS

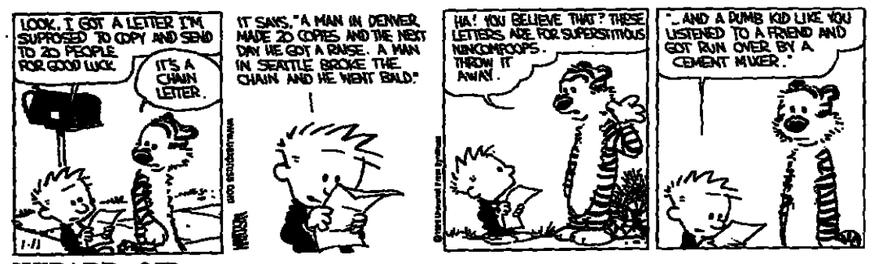


GARFIELD

BEETLE BAILEY

BLONDIE

CALVIN AND HOBBES



WIZARD of ID

THE FAR SIDE

"OK, you've got me over a barrel ... but how do I know these are *all* the negatives?"

DOONESBURY

JUMBLE. THE SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

ESTUG
GAUVE
LERCEY
YIELDE

WHERE TO GET THE BEST VIEW OF THE OCEAN.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: (Answers Monday)

Yesterday's Jumbles: POWER KETCH CORRAL FICKLE
Answer: What the school bully tried to do at the end of the day — REFLECT ON HIS WORK

DAVE BARRY

Life on the Ski Slopes

MIAMI — Here's a fun winter vacation idea: Why not go skiing?

If you answered: "Because I don't want to spend the next two years in a full-body cast," then I have good news: Thanks to modern, high-tech ski equipment developed for use by U.S. astronauts, 72 percent of all skiers are able to walk with assistance in less than 10 months!

Yes, things have really changed since the early days of skiing, a sport that traces its origins back to 16th-century Switzerland, where, according to legend, a man named Hans lived with his family on top of a mountain. One day Hans's daughter became very ill, and his wife, Bernice, told him to go down to the village and fetch the doctor. Hans, knowing that it would take him hours to walk down the mountain, noticed two loose barrel staves that happened to be lying around, and suddenly an idea struck him. Using some leather thongs that also happened to be lying around, he attached the staves to his feet, grabbed two poles that also happened to be lying around, aimed the staves down the mountain and gave a shove. Within a matter of seconds, nothing had happened.

"Hans, you moron," explained Bernice. "It's July. There's no snow."

□

And so Hans had to walk down the mountain to get the doctor, who cured the little girl in five minutes by threatening her with leeches. But this got Hans to thinking, and the next day he started tinkering with some chairs and huge steel towers and powerful motors and several thousand feet of cable that happened to be lying around. By dusk he was finished. "Look, Bernice!" he said. "A person can ride all the way up the mountain on chairs dangling precariously from this cable!"

"If you think I'm getting on that," said Bernice, "you're crazy."

"I'm not talking about US," said Hans. "We'll stay safely on the ground and collect large sums of money."

And thus the modern ski industry was born. Today there are thousands of ski areas, and as of 8 A.M. this morning every single one of them had excellent skiing conditions, as measured by the Official Ski Area Rating System, in which each area objectively rates its own conditions from Extremely Superb (defined as "snow or at least cold mud clearly visible in places") all the way down to Very Good (defined as "this ski resort is located in Puerto Rico").

If you're a beginner, you want to avoid the steeper slopes. One time I went skiing at Aspen, and the ski slope there turned out to be a cliff. Not coincidentally, Aspen is the home of a world-class knee-injury clinic. It's located right at the base of the mountain; the surgeons just stand around the operating room, scalpels in hand, chatting about golf, and every few minutes there's a scream, and a new patient comes crashing through the roof.

Of course, to reach that level of expertise, you'll need to take lessons. Most ski areas have ski schools, where an instructor will assign you to a class of students who are of approximately the same age, skill level and athletic ability as you, except that they are all secretly members of the Olympic slalom team. The instructor will get you all up on top of the mountain, then say, "Follow me!" and start skiing sedately down, making graceful turns, totally under control. Your classmates, after exchanging the secret Olympic wink, will follow, making it appear as though they have never done anything like this before. Some will even fall down, but they'll get right up again as though it's no big deal.

You'll think, "How hard can this be?" So you'll push off, and within seconds you'll be going so fast that your ski outfit will burst into flames from friction with the atmosphere. You'll hurtle straight down the hill, penetrating the ski lodge through the wall and coming to a violent halt in the cafeteria when you slam into the salad bar. As you're lying there, face-down in the vinaigrette, you'll hear, from way up on the mountain, hearty Olympic laughter, plus your instructor's voice advising you: "NEXT TIME, KEEP YOUR KNEES BENT!"

The important thing is not to be discouraged. Remember: Everybody falls at first. The real winners pick themselves up, dust themselves off, and signal for the cocktail waitperson. Remember to keep your elbow bent.

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Remembrance of Millenniums Past

International Herald Tribune

PARIS — When the Pompidou Center opened here 20 years ago, it boasted a gallows-like object which was in fact a special clock ticking away the seconds to the end of the century.

The clock has gone, along with the bravado that inspired it. Like it or not we are now one step closer to the fateful date, 2000. No one quite knows what the date means

MARY BLUME

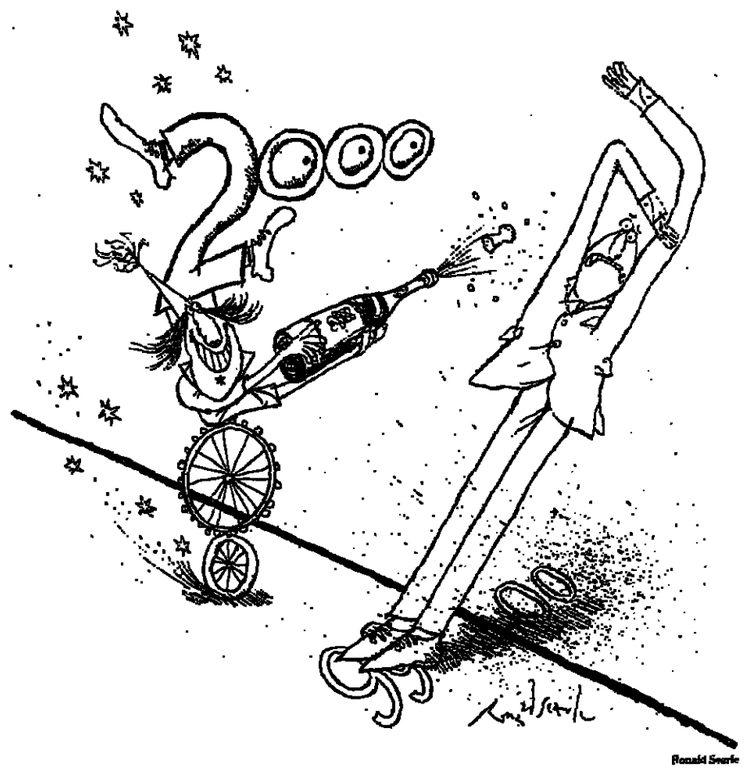
— or even whether we should uncork the bubbly on Dec. 31, 1999, or the following year — but no one can think of it without a frisson. The future may be inevitable yet it always catches us by surprise. As the writer S.J. Perelman said in a letter to a friend in 1975:

"I never thought I'd be typing those numerals, which in my youth were associated with images of traffic cops flying through the air with wings on their heels and citizens piloting cigar-shaped airships."

It is hard to know how to approach the millennium — with a Ferris wheel and vast dome as they will in England or to state convincingly, as the historian Eric Hobsbawm does, that what he calls "The Shortest Century" ended in 1991 having begun in 1914, the years lamentably bookended between Sarajevo and Sarajevo. Hobsbawm allowed himself more optimism in 1987, when the millennium was 10 years further away:

"The evidence is that the world in the 21st century will be better is not negligible," he wrote. "If the world succeeds in not destroying itself (i.e. by nuclear war), the probability will be quite strong."

The French phrase fin de siècle (which the historian Eugen Weber dates to the title of a forgotten play of 1888) best describes the feverish end-of-century mood, a mixture of cakewalk and danse macabre, of hectic activity and a gloom mocked by Oscar Wilde in "The Picture of Dorian Gray": "I wish it were *fin de globe*," said Dorian with a sigh. "Life is a great disappointment." In 1900 Wilde died; Queen Victoria in her diary, on the other hand, didn't even mention the century's end.



Ronald Searle

With uncharacteristic optimism but totally characteristic opportunism, publishers are bringing out stacks of millennium books. One of them, edited by Asa Briggs and Daniel Snowman, studies 600 years of attitudes toward the turn of the centuries, "Fins de Siècle: How Centuries End, 1400-2000." Published by Yale University Press, it attacks this fascinating subject in a series of rather summary chapters from English history.

One problem with studying the ends of centuries is that the word century is relatively modern. Only in the 17th century were centuries compared to each other, the previous measurement having been reigns and seasons. But even if people were unaware that a century was ending, there seems to be a definite restless fin de siècle mood as can be seen from the year 1399 when Richard II was deposed and there was a general conviction that time was running downhill to Judgment Day.

The next fin de siècle began disturbingly in 1497 when Henry VII's Christmas revels were interrupted by his castle's burning down, and 100 years later there was unnerving uncertainty about Queen Elizabeth's succession although she had done her best to ensure immortality in 1596 by ordering that all realistic portraits of herself be destroyed and replaced by images of the vibrant young Virgin Queen.

The next fin de siècle began soothingly with the Glorious Revolution in which the Dutch king William was bloodlessly anointed and with a radical change in fashions in which doublet and hose were replaced by the ancestor of the three-piece suit. But scientists were changing the old order and the 1690s saw the biggest drinking spree of English history, helped by the Dutch gin brought in by William's men.

The notion that the century's end brings unrest was spectacularly illustrated by the French Revolution in 1789. The industrial revolution brought an optimism soon blighted by Malthusian gloom and a sort of a moral rearmament. "What we often dub Victorianism was being born, not merely before the accession of the Queen (1837) but even before her birth (1819)," Roy Porter writes in the chapter on the 1790s.

The Queen's Diamond Jubilee, exactly a century ago, was celebrated amid prosperity, wonderful inventions and a far-flung empire, but the very notion of progress was being called into doubt and replaced by dissolution and decay most energetically expressed in the decadent movement imported from France. Time was winding down: The Gay Nineties were indeed that, but tempered by fevered despair. As for the year 1900 itself, Henry James declared it "dreadful," "gruesome" and "monstrously numbered."

One doesn't want to think the same of the year 2000, and yet. . . Best of luck to London with its celebratory giant Ferris wheel but the huge dome at Greenwich by a famous architect may never be built: The much-publicized Millennium Fund has failed to come up with the cash.

MOVIES

The Plot Thickens at Hollywood on the Nile

By John Lancaster
Washington Post Service

CAIRO — Racing against a setting sun, the television director Hossam Eddin Mustafa scrambles to shoot one last scene for "Abu Hanifa," his 40-part serial on the 8th-century Muslim scholar. Turbaned actors sit cross-legged in an outdoor courtyard. The set falls silent. Cameras roll.

But things keep going wrong.

An actor flubs his lines. A bus trundles by and toots its horn, spoiling yet another shot. Finally, just as the actors seem to be making some headway, a bulldozer fires up its engine and drowns out their voices.

Mustafa leaps to his feet. "May God bring down your houses!" he screams, shaking his fist at the baffled construction crew. Then he cancels the shooting in disgust.

So goes a typical afternoon at Media Production City, a gargantuan new studio complex noisily taking shape in the desert 10 kilometers east of the famed Giza pyramids near Cairo. The $1 billion, government-owned project — whose lavish sets include farm fields, a train station with a working locomotive, and a full-scale replica of a pharaoh's temple — is aimed at restoring the country's reputation as "the Hollywood of the Orient."

If all goes according to plan, the studio complex eventually will turn out 3,500 hours of television serials, soap operas and movies each year. Many will be beamed around the Arabic-speaking world on Nilesat, Egypt's first satellite, which is slated to ride into orbit on a French rocket later this year.

"We've had a movie industry for 100 years," said Mahmoud Yassin, who plays the leading man in Mustafa's television serial. "It was late for them to do this. We are very happy."

That view is far from universal, however. At a time when Egypt has embarked on an ambitious program to privatize state-owned industries — in keeping with its World Bank-sponsored transition to free-market economic policies — foreign experts question the logic behind the new state-run studio.

Their skepticism is shared by many Egyptian filmmakers, who say the new facility will only strengthen the state television monopoly they hold primarily responsible for their industry's decline.

"I don't think it has anything to do with boosting cinema," Yusri Nasrallah, one of the few Egyptian filmmakers with a reputation beyond the Arabic-speaking world, said of the new complex. "What we're asking the government to do is to lay off, stay out, let us work, and we'll do fine."

But in an authoritarian state such as Egypt, that is easier said than done — especially when it comes to television drama. Such programming is both a powerful instrument of propaganda and also one of the country's leading cultural exports. Last week, President Hosni Mubarak vowed that broadcast media "will be neither privatized nor sold, stressing the importance of . . . the mass media in projecting facts to the citizens," according to reports in the government-run press.

The $1 billion project is aimed at restoring the country's reputation for leading Arabic films.

"The basic point is that these people cannot imagine a life without this kind of domination of the media," Nasrallah responded. "These people would not exist if the private sector started flourishing."

Government officials acknowledge that the studio is being built for reasons that transcend mere economics. "It's not just a commercial project," said Magda Raffa, an architect who serves as the project's design manager. "We have been the cultural leader of the Arab world for a long time. So we must keep our country as a leader."

But they insist the project also makes good business sense. The complex will generate hard currency by producing television programs for export to Arabic-speaking countries, the officials say, and by renting space to Western filmmakers lured by Egypt's low labor costs and year-round shooting climate. They even hope to turn it into a major tourist attraction — modeled after Disney World and Universal Studios — complete with its own hotel.

"Some people think we are not serious," said Raffa, who keeps a photograph of Kevin Costner pinned to her office wall and travels frequently to the United States. "We want to tell the world, 'It's not just a design on paper. We've already started. We have something to show.'"

Fourteen years in the making, the Japanese-designed television city is known in diplomatic circles as "Safwat Sharif's pyramid," after Egypt's powerful and long-serving information minister, its principal backer. Work already has been completed on seven outdoor sets, including a mud-brick village surrounded by date palms, a Bedouin encampment and a mock-up of the Alexandria stock exchange, used to shoot a pivotal scene in "Nasser 56," last summer's blockbuster movie about the 1956 Suez crisis.

One of the most distinctive sets recreates a neighborhood in old Cairo. Its Islamic-style houses feature balconies covered with carved wooden screens, called *mashribiya*, that permit women to look out without being observed.

Nearby is a children's theme park, a Disneyesque confection of brightly colored minarets, castle turrets and plastic dinosaurs opened by Mubarak last May.

Still to come are 13 indoor television studios, a theater and a film-processing lab. Last year, the government chose a British consortium — led by Sony Broadcast & Professional/Europe and Trafalgar House Construction — to build the studios and supply them with the latest audiovisual equipment.

Government officials say the state will pay 46 percent of the overall cost; they hope to raise the rest from private investors, although the Information Ministry will retain overall control.

PEOPLE

IT'S official: The flamboyant former French culture minister **Jack Lang** is taking over the reins at Milan's crisis-hit Piccolo Teatro, after its founder **Giorgio Strehler** resigned. Lang, 57, a French Socialist Party member who sits in the European Parliament, agreed Dec. 19 to step in to run Italy's most celebrated theater, but the directors only now have approved his hiring.

□

The Japanese pop star **Seiko Matsuda** and the actor **Masaki Kanda** announced they had agreed to divorce after a tumultuous 12-year marriage rocked by scandals and extra-marital affairs. "We've decided to end it quietly for the sake of our daughter," the country's most notorious showbiz couple said in a handwritten statement, referring to their 10-year-old child **Sayaka**. Matsuda, 34, has had several toy boy American lovers in recent years, including a waiter-turned-aspiring-actor known as "**Jeff**" who wrote a best-selling book about their steamy affair. Kanda, 46, is best known for his role playing a detective in a long-running television series. Since her debut in the 1980s, Matsuda has had 25 consecutive number-one hit singles and 15 number-one albums in Japan.

□

The dancer and choreographer **Roland Petit** has gone on stage at the Paris Opera for the first of a farewell series of five performances of the ballet "Coppelia" by his Ballet National de Marseille. Petit, who will be 73 on Jan. 13, plays Dr. Coppelius, the elderly inventor who makes a mechanical doll and then falls in love with her. He has performed this role, which is mainly mime, regularly since creating his own version of the ballet in 1975. Despite his age, Petit's dancing was as stylish and elegant as ever and he never appeared out of breath.

Agence France-Presse
Seiko Matsuda and Masaki Kanda in happier days.

□

President Bill Clinton let **Dick Morris** decide such things as what to say in the State of the Union address and where to take vacations, according to the fallen political guru's new book. Morris, 48, resigned as Clinton's political consultant in August after revelations that he allowed a prostitute to listen in on phone conversations with the president. In his book, "Behind the Oval Office," Morris says Clinton is prone to temper tantrums and disparaging his aides. "Time and again he would derisively refer to his staff as 'the children who got me elected.' He would plead for more 'adults' in the White House," according to excerpts in Friday's New York Daily News. The newspaper obtained an early copy of the book, which is just hitting bookstores. The Daily News said the book portrays an insulated president entwined in a White House sharply divided by warring camps, one led by the first lady and the other by his top advisers. Morris portrays the president as being cut off from the world, saying he does not read newspapers and depends on his staff for news summaries. Morris, credited with devising the strategy behind Clinton's comeback after the 1994 Republican landslide, wrote that he changed the president's image. "In order to maintain the president's populist image, I tried to keep him away from Hollywood and the jet set," Morris wrote. He claimed he advised him to take a "regular-guy" vacation of hiking or camping with his family.

□

Marcia Clark update: The unsuccessful **O.J. Simpson** prosecutor has been chosen to be the host of a television series about women in law enforcement. Name of the program: "LadyLaw." A buyer for the 30-minute program has not yet been found.

□

Lionel Hampton, 88, was awarded the National Medal of the Arts by **President Clinton**, who called him a "lion of American music" who can "still make the vibraphone sing." Clinton said, "We are glad to see Lionel Hampton here safe and sound," because Hampton barely escaped a fire in his New York apartment earlier this week that destroyed all the mementos of his seven-decade career. Also receiving the medal were the playwright **Edward Albee**, the actor **Robert Redford**, the children's author **Maurice Sendak**, the Broadway composer **Stephen Sondheim** and the photographer **Harry Callahan**.

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Spain◇	900-99-00-11
Sweden	020-795-611
Switzerland●	0800-89-0011
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